



Amendment No. 4
to
Contract No. NA190000200
for
Benefit Plan Administration Services
between
Total Administrative Service Corporation
and the
City of Austin

- 1.0 The City hereby exercises this Unilateral Extension Option for the subject contract. This extension option will be effective September 3, 2021 through September 2, 2022. Two (2) options will remain.
- 2.0 The total contract amount is increased by \$87,727.00 by this extension period. The total contract authorization is recapped below:

Action	Action Amount	Total Contract Amount
Original Term and Contract Amount: 09/3/2019-09/2/2023	\$263,181.00	\$263,181.00
Amendment No. 1: New Contract Term 09/03/2019-09/2/2021 Effective 09/14/2020	\$0	\$175,454.00
Amendment No. 2: Self-Bill 09/03/2019-09/02/2021 Effective 01/01/2021	\$0	\$175,454.00
Amendment No. 3: Update Affiliated Employer Group Effective 01/01/2021	\$0	\$175,454.00
Amendment No. 4: Option 1 – Extension 09/03/2021 – 09/02/2022	\$87,727.00	\$263,181.00

- 3.0 By signing this Amendment, the City of Austin confirms that the vendor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the GSA List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 4.0 All other terms and conditions remain the same.

BY THE SIGNATURE affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Printed Name:

Authorized Representative

Brenita Y.
Wilkison

Sign/Date:

Digitally signed by Brenita Y.
Wilkison
Date: 2021.07.22 10:56:58 -05'00'

Brenita Wilkison
Procurement Specialist III
City of Austin
Purchasing Office
124 W. 8th Street, Ste. 310
Austin, Texas 78701



Amendment No. 3
to
Contract No. MA 5800 NA190000200
for
Benefit Plan Administration Services
between
Total Administrative Service Corporation dba TASC
and the
City of Austin, Texas

1.0 The City hereby amends (to be effective on 1/1/2021) the above referenced contract to include the following revisions:

1.1 Add the employees of the Economic Development Corporation (EDC) as part of the Affiliated Employer Group (AEG) effective January 1, 2021.

2.0 The total Contract amount is recapped below:

Term	Contract Amount for the item	Total Contract Amount
Original Term and Contract Amount: 9/3/2019 – 9/2/2023	\$263,181.00	\$263,181.00
Amendment No. 1: New Contract Term 9/3/2019 – 9/2/2021, Effective 09/14/2020	\$0	\$175,454.00
Amendment No. 2: Self-bill 9/3/2019-9/2/2021 Effective 1/1/2021	\$0	\$175,454.00
Amendment No. 3: Update Affiliated Employer Group Effective 1/1/2021	\$0	\$175,454.00

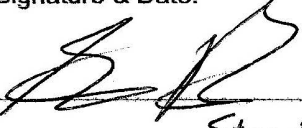
3.0 MBE/WBE goals were not established for this contract.

4.0 By signing this Amendment the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.

5.0 ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

BY THE SIGNATURE(S) affixed below, this Amendment is hereby incorporated and made a part of the above referenced contract.

Signature & Date:

 12-23-2020

Printed Name: Stuart Bowie
Authorized Representative

Total Administrative Service Corporation dba TASC
Mr. Stuart Bowie
2302 International Lane
Madison, WI 53704
Cheryl.Harden@tasconline.com

Signature & Date:

Brenita Y. Wilkison

Digitally signed by Brenita Y.
Wilkison
Date: 2020.12.29 09:01:11 -06'00'

Brenita Wilkison, Procurement Specialist III
City of Austin Purchasing Office



Amendment No. 1
to
Contract No. MA 5800 NA190000200
for
Benefit Plan Administration Services
between
Total Administrative Service Corporation dba TASC
and the
City of Austin, Texas

1.0 The City hereby amends the above referenced contract to include the following revisions:

- 1.1 Effective September 14, 2020, change initial term to 24 months with up to three, 12-month extensions at the City's sole option. The new initial term is 9/3/2019 to 9/2/2021.
- 1.2 The Contractor shall be paid a total Not-to-Exceed amount of \$175,454.00 for the initial contract term and \$87,727.00 for each extension option for a total not-to-exceed amount of \$438,635.00.
- 1.3 Add the following individuals as having, "Delegation of Authority" for this contract:
 - 1.3.1 Cliff Mason, President & Chief Executive Officer
2302 International Lane
Madison, WI 53704
Cliff.Mason@tasconline.com
 - 1.3.2 Andy Bartel, Chief Sales Officer
2302 International Lane
Madison, WI 53704
Andy.Bartel@tasconline.com
- 1.4 Revise Section 0500, Scope of Work with the following requirements:
 - 1.4.1 Add Section 3.11.5 - Contractor shall provide a monthly report reflecting the bi-weekly deposits received, amounts applied to employee accounts, expenses paid for the employee and ending balance of the employee accounts. This information should be summarized in total and agree with employee account balances. This monthly report shall be sent electronically by the 10th day of the following month.
 - 1.4.2 Add Section 3.7.7 – If audits are performed, Contractor shall be financially responsible for any non-compliant findings.
 - 1.4.3 Replace Section 3.10.1.1 with the following;

- Contractor shall receive the City's Payroll File within two business days after each bi-weekly pay period ends, in accordance with the 2020 and 2021 Payroll Calendars. See Exhibit 1 and Exhibit 2
- 1.4.4 Add Section 3.10.1.5 – Contractor shall immediately notify the City, within one business day, if the Payroll File is not received by the due date referenced in Section 3.10.1.1.


2.0 The total Contract amount is recapped below:

Term	Contract Amount for the Item	Total Contract Amount
Original Term and Contract Amount: 9/3/2019 – 9/2/2023	\$263,181.00	\$263,181.00
Amendment No. 1- Contract Term: 9/3/2019 – 9/3/2021	\$175,454.00	\$175,454.00

- 3.0 MBE/WBE goals were not established for this contract.
- 4.0 By signing this Amendment the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

BY THE SIGNATURE(S) affixed below, this Amendment is hereby incorporated and made a part of the above referenced contract.

Signature & Date:


 Clifford B. Mason
 President + COO TASC
 9-23-2020
 Printed Name: _____
 Authorized Representative



Andy Bartel
 Chief Sales Officer
 9/23/20

Signature & Date:

Cyrenthia Ellis





Digitally signed by Cyrenthia Ellis
 DN: cn=Cyrenthia Ellis, o=City of Austin,
 ou=Purchasing Office,
 email=Cyrenthia.Ellis@austintexas.gov, c=US
 Date: 2020.09.23 17:08:16 -05'00'

Procurement Manager
 City of Austin Purchasing Office
Cyrenthia.Ellis@austintexas.gov

Exhibit 1 – Pay Calendar 2020
 Exhibit 2 – Pay Calendar 2021

Exhibit 1 - Payroll Calendar 2020

City of Austin FY 2019-20 Payroll Calendar

Banner			P A Y D A Y	P A Y P E R I O D		Payroll Due Dates				Interface Month
BW	P.O.M.	Insur.		Begin	End	Timesheets Available Fri @ 7:00 am	Timesheets Due		Direct Deposits Sent Tue	
20	1	---	Fri 10/04/19	Sun 09/15/19	Sat 09/28/19	Fri 09/20/19	Mon Noon	09/30/19	Tue 10/01/19	OCT
21	2	I-50	Fri 10/18/19	Sun 09/29/19	Sat 10/12/19	Fri 10/04/19	Mon Noon	10/14/19	Tue 10/15/19	OCT
22	1	---	Fri 11/01/19	Sun 10/13/19	Sat 10/26/19	Fri 10/18/19	Mon Noon	10/28/19	Tue 10/29/19	NOV
23	2	I-50	Fri 11/15/19	Sun 10/27/19	Sat 11/09/19	Fri 11/01/19	Mon 8 am	11/11/19	Tue 11/12/19	NOV
24	5		Wed 11/27/19	Sun 11/10/19	Sat 11/23/19	Fri 11/15/19	Sun 8 am	11/22/19	Mon 11/23/19	NOV
25	1	---	Fri 12/13/19	Sun 11/24/19	Sat 12/07/19	Wed 11/27/19	Mon Noon	12/09/19	Tue 12/10/19	DEC
26	2	I-50	Fri 12/27/19	Sun 12/08/19	Sat 12/21/19	Fri 12/13/19	Sun 8 am	12/22/19	Wed 12/25/19	DEC
1	4		Fri 01/10/20	Sun 12/22/19	Sat 01/04/20	Fri 12/27/19	Mon Noon	01/06/20	Tue 01/07/20	JAN
2	2	I-50	Fri 01/24/20	Sun 01/05/20	Sat 01/18/20	Fri 01/10/20	Mon 8 am	01/20/20	Tue 01/21/20	JAN
3	1	---	Fri 02/07/20	Sun 01/19/20	Sat 02/01/20	Fri 01/24/20	Mon Noon	02/03/20	Tue 02/04/20	FEB
4	2	I-50	Fri 02/21/20	Sun 02/02/20	Sat 02/15/20	Fri 02/07/20	Mon 8 am	02/17/20	Tue 02/18/20	FEB
5	1	---	Fri 03/06/20	Sun 02/16/20	Sat 02/29/20	Fri 02/21/20	Mon Noon	03/02/20	Tue 03/03/20	MAR
6	2	I-50	Fri 03/20/20	Sun 03/01/20	Sat 03/14/20	Fri 03/06/20	Mon Noon	03/16/20	Tue 03/17/20	MAR
7	1	---	Fri 04/03/20	Sun 03/15/20	Sat 03/28/20	Fri 03/20/20	Mon Noon	03/30/20	Tue 03/31/20	APR
8	2	I-50	Fri 04/17/20	Sun 03/29/20	Sat 04/11/20	Fri 04/03/20	Mon Noon	04/13/20	Tue 04/14/20	APR
9	1	---	Fri 05/01/20	Sun 04/12/20	Sat 04/25/20	Fri 04/17/20	Mon Noon	04/27/20	Tue 04/28/20	MAY
10	2	I-50	Fri 05/15/20	Sun 04/26/20	Sat 05/09/20	Fri 05/01/20	Mon Noon	05/11/20	Tue 05/12/20	MAY
11	3		Fri 05/29/20	Sun 05/10/20	Sat 05/23/20	Fri 05/15/20	Mon 8 am	05/25/20	Tue 05/26/20	MAY
12	1	---	Fri 06/12/20	Sun 05/24/20	Sat 06/06/20	Fri 05/29/20	Mon Noon	06/08/20	Tue 06/09/20	JUN
13	2	I-50	Fri 06/26/20	Sun 06/07/20	Sat 06/20/20	Fri 06/12/20	Mon Noon	06/22/20	Tue 06/23/20	JUN
14	1	---	Fri 07/10/20	Sun 06/21/20	Sat 07/04/20	Fri 06/26/20	Mon Noon	07/06/20	Tue 07/07/20	JUL
15	2	I-50	Fri 07/24/20	Sun 07/05/20	Sat 07/18/20	Fri 07/10/20	Mon Noon	07/20/20	Tue 07/21/20	JUL
16	1	---	Fri 08/07/20	Sun 07/19/20	Sat 08/01/20	Fri 07/24/20	Mon Noon	08/03/20	Tue 08/04/20	AUG
17	2	I-50	Fri 08/21/20	Sun 08/02/20	Sat 08/15/20	Fri 08/07/20	Mon Noon	08/17/20	Tue 08/18/20	AUG
18	1	---	Fri 09/04/20	Sun 08/16/20	Sat 08/29/20	Fri 08/21/20	Mon Noon	08/31/20	Tue 09/01/20	SEP
19	2	I-50	Fri 09/18/20	Sun 08/30/20	Sat 09/12/20	Fri 09/04/20	Mon Noon	09/14/20	Tue 09/15/20	SEP
20	1	---	Fri 10/02/20	Sun 09/13/20	Sat 09/26/20	Fri 09/18/20	Mon Noon	09/28/20	Tue 09/29/20	OCT
21	2	I-50	Fri 10/16/20	Sun 09/27/20	Sat 10/10/20	Fri 10/02/20	Mon Noon	10/12/20	Tue 10/13/20	OCT
22	5		Fri 10/30/20	Sun 10/11/20	Sat 10/24/20	Fri 10/16/20	Mon Noon	10/26/20	Tue 10/27/20	OCT
23	1	---	Fri 11/13/20	Sun 10/25/20	Sat 11/07/20	Fri 10/30/20	Mon Noon	11/09/20	Tue 11/10/20	NOV
24	2	I-50	Wed 11/25/20	Sun 11/08/20	Sat 11/21/20	Fri 11/13/20	Sun 8 am	11/22/20	Mon 11/23/20	NOV
25	1	---	Fri 12/11/20	Sun 11/22/20	Sat 12/05/20	Fri 11/27/20	Mon Noon	12/07/20	Tue 12/08/20	DEC
26	2	I-50	Wed 12/23/20	Sun 12/06/20	Sat 12/19/20	Fri 12/11/20	Sun 8 am	12/20/20	Mon 12/21/20	DEC


1	2	3	4	5	POM - Payroll of Month Schedule
Yes	Yes	Yes	Yes	Yes	Taxes
Yes	Yes	Yes	No	No	Insurance
Yes	Yes	Yes	Yes	Yes	Retirement Garnishments & Deferred Comp
Yes	Yes	No	Yes	No	Municipal Court Deductions
Yes	Yes	No	Yes	No	Association Dues
Yes	Yes	No	Yes	No	Charity Deductions
Yes	Yes	No	Yes	No	Leave Will Accrue

POM - Is the type of payroll schedule; not the number of payrolls in a month

Paid Holidays	Description
1 New Year's Day	January 1
2 Martin Luther King Day	3rd Monday in January
3 Presidents' Day	3rd Monday in February
4 Memorial Day	Last Monday in May
5 Independence Day	July 4
6 Labor Day	1st Monday in September
7 Veterans Day	November 11
8 Thanksgiving Day	4th Thursday in November
9 Thanksgiving Friday	Friday after Thanksgiving
10 Christmas Eve	December 24
11 Christmas Day	December 25
12 Personal Holiday	Upon request & approval
13 Personal Holiday	Upon request & approval

PAF Due Dates - Personnel action forms are due to HRD by Noon on the Friday preceding the pay period begin date in which the action is effective.

No insurance deductions on these pay days. 

No leave accruals in these pay periods. 

HOLIDAYS LAST YEAR





2019	
Tue	01/01/19
Mon	01/21/19
Mon	02/18/19
Mon	05/27/19
Thu	07/04/19
Mon	09/02/19
Mon	11/11/19
Thu	11/28/19
Fri	11/29/19
Tue	12/24/19
Wed	12/25/19
Optional	
Optional	

HOLIDAYS THIS YR

2020	
Wed	01/01/20
Mon	01/20/20
Mon	02/17/20
Mon	05/25/20
Fri	07/03/20
Mon	09/07/20
Wed	11/11/20
Thu	11/26/20
Fri	11/27/20
Thu	12/24/20
Fri	12/25/20
Optional	
Optional	

Exhibit 2 - Payroll Calendar 2021

City of Austin FY 2020-21 Payroll Calendar

Banner			P A Y	P A Y P E R I O D		Payroll Due Dates					Interface Month					
Taxed				D A Y	Begin	End	Timesheets Available Fri @ 7:00 am	Timesheets Due		Direct Deposits Sent Tue						
BW	P.O.M.	Insur.														
20	1	---	Fri	10/02/20	Sun	09/13/20	Sat	09/26/20	Fri	09/18/20	Mon	Noon	09/28/20	Tue	09/29/20	OCT
21	2	I-50	Fri	10/16/20	Sun	09/27/20	Sat	10/10/20	Fri	10/02/20	Mon	Noon	10/12/20	Tue	10/13/20	OCT
22	5		Fri	10/30/20	Sun	10/11/20	Sat	10/24/20	Fri	10/16/20	Mon	Noon	10/26/20	Tue	10/27/20	OCT
23	1	---	Fri	11/13/20	Sun	10/25/20	Sat	11/07/20	Fri	10/30/20	Mon	Noon	11/09/20	Tue	11/10/20	NOV
24	2	I-50	Wed	11/25/20	Sun	11/08/20	Sat	11/21/20	Fri	11/13/20	Sun	8 am	11/22/20	Mon	11/23/20	NOV
25	1	---	Fri	12/11/20	Sun	11/22/20	Sat	12/05/20	Fri	11/27/20	Mon	Noon	12/07/20	Tue	12/08/20	DEC
26	2	I-50	Wed	12/23/20	Sun	12/06/20	Sat	12/19/20	Fri	12/11/20	Sun	8 am	12/20/20	Mon	12/21/20	DEC
1	4		Fri	01/08/21	Sun	12/20/20	Sat	01/02/21	Fri	12/25/20	Mon	Noon	01/04/21	Tue	01/05/21	JAN
2	2	I-50	Fri	01/22/21	Sun	01/03/21	Sat	01/16/21	Fri	01/08/21	Mon	8 am	01/18/21	Tue	01/19/21	JAN
3	1	---	Fri	02/05/21	Sun	01/17/21	Sat	01/30/21	Fri	01/22/21	Mon	Noon	02/01/21	Tue	02/02/21	FEB
4	2	I-50	Fri	02/19/21	Sun	01/31/21	Sat	02/13/21	Fri	02/05/21	Mon	8 am	02/15/21	Tue	02/16/21	FEB
5	1	---	Fri	03/05/21	Sun	02/14/21	Sat	02/27/21	Fri	02/19/21	Mon	Noon	03/01/21	Tue	03/02/21	MAR
6	2	I-50	Fri	03/19/21	Sun	02/28/21	Sat	03/13/21	Fri	03/05/21	Mon	Noon	03/15/21	Tue	03/16/21	MAR
7	1	---	Fri	04/02/21	Sun	03/14/21	Sat	03/27/21	Fri	03/19/21	Mon	Noon	03/29/21	Tue	03/30/21	APR
8	2	I-50	Fri	04/16/21	Sun	03/28/21	Sat	04/10/21	Fri	04/02/21	Mon	Noon	04/12/21	Tue	04/13/21	APR
9	3		Fri	04/30/21	Sun	04/11/21	Sat	04/24/21	Fri	04/16/21	Mon	Noon	04/26/21	Tue	04/27/21	APR
10	1	---	Fri	05/14/21	Sun	04/25/21	Sat	05/08/21	Fri	04/30/21	Mon	Noon	05/10/21	Tue	05/11/21	MAY
11	2	I-50	Fri	05/28/21	Sun	05/09/21	Sat	05/22/21	Fri	05/14/21	Mon	Noon	05/24/21	Tue	05/25/21	MAY
12	1	---	Fri	06/11/21	Sun	05/23/21	Sat	06/05/21	Fri	05/28/21	Mon	Noon	06/07/21	Tue	06/08/21	JUN
13	2	I-50	Fri	06/25/21	Sun	06/06/21	Sat	06/19/21	Fri	06/11/21	Mon	Noon	06/21/21	Tue	06/22/21	JUN
14	1	---	Fri	07/09/21	Sun	06/20/21	Sat	07/03/21	Fri	06/25/21	Mon	8 am	07/05/21	Tue	07/06/21	JUL
15	2	I-50	Fri	07/23/21	Sun	07/04/21	Sat	07/17/21	Fri	07/09/21	Mon	Noon	07/19/21	Tue	07/20/21	JUL
16	1	---	Fri	08/06/21	Sun	07/18/21	Sat	07/31/21	Fri	07/23/21	Mon	Noon	08/02/21	Tue	08/03/21	AUG
17	2	I-50	Fri	08/20/21	Sun	08/01/21	Sat	08/14/21	Fri	08/06/21	Mon	Noon	08/16/21	Tue	08/17/21	AUG
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19	2	I-50	Fri	09/17/21	Sun	08/29/21	Sat	09/11/21	Fri	09/03/21	Mon	Noon	09/13/21	Tue	09/14/21	SEP
20	1	---	Fri	10/01/21	Sun	09/12/21	Sat	09/25/21	Fri	09/17/21	Mon	Noon	09/27/21	Tue	09/28/21	OCT
21	2	I-50	Fri	10/15/21	Sun	09/26/21	Sat	10/09/21	Fri	10/01/21	Mon	Noon	10/11/21	Tue	10/12/21	OCT
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23	1	---	Fri	11/12/21	Sun	10/24/21	Sat	11/06/21	Fri	10/29/21	Mon	Noon	11/08/21	Tue	11/09/21	NOV
24	2	I-50	Tue	11/24/20	Sun	11/07/21	Sat	11/20/21	Fri	11/12/21	Sun	8 am	11/21/21	Mon	11/22/20	NOV
25	1	---	Fri	12/10/21	Sun	11/21/21	Sat	12/04/21	Fri	11/26/20	Mon	Noon	12/06/21	Tue	12/07/21	DEC
26	2	I-50	Wed	12/22/21	Sun	12/05/21	Sat	12/18/21	Fri	12/10/21	Sun	8 am	12/19/21	Mon	12/20/21	DEC


1	2	3	4	5	POM - Payroll of Month Schedule
Yes	Yes	Yes	Yes	Yes	Taxes
Yes	Yes	Yes	No	No	Insurance
Yes	Yes	Yes	Yes	Yes	Retirement Garnishments & Deferred Comp
Yes	Yes	No	Yes	No	Municipal Court Deductions
Yes	Yes	No	Yes	No	Association Dues
Yes	Yes	No	Yes	No	Charity Deductions
Yes	Yes	No	Yes	No	Leave Will Accrue

POM - Is the type of payroll schedule; not the number of payrolls in a month

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3 Presidents' Day	3rd Monday in February
4 Memorial Day	Last Monday in May
5 Juneteenth	June 19
5 Independence Day	July 4
6 Labor Day	1st Monday in September
7 Veterans Day	November 11
8 Thanksgiving Day	4th Thursday in November
9 Thanksgiving Friday	Friday after Thanksgiving
10 Christmas Eve	December 24
11 Christmas Day	December 25
12 Personal Holiday	Upon request & approval

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No insurance deductions on these pay days. 

No leave accruals in these pay periods. 

HOLIDAYS LAST YEAR

2020	
Wed	01/01/20
Mon	01/20/20
Mon	02/17/20
Mon	05/25/20
Fri	07/03/20
Mon	09/07/20
Wed	11/11/20
Thu	11/26/20
Fri	11/27/20
Thu	12/24/20
Fri	12/25/20
Optional	
Optional	

HOLIDAYS THIS YR

2021	
Fri	01/01/21
Mon	01/18/21
Mon	02/15/21
Mon	05/31/21
Fri	06/18/21
Mon	07/05/21
Mon	09/06/21
Thu	11/11/21
Thu	11/25/21
Fri	11/26/21
Thu	12/23/21
Fri	12/24/21
Optional	



City of Austin

Purchasing Office

P.O. Box 1088, Austin, TX 78767

September 9, 2019

Total Administrative Service Corporation dba TASC

Mr. Stuart Bowie

Regional Vice President

2302 International Lane

Madison, WI 53704

Stuart.Bowie@tasconline.com

Dear Mr. Bowie:

The Austin City Council approved the execution of a contract with your company for Benefit Plan Administration Services in accordance with the referenced solicitation.

Responsible Department:	Human Resources
Department Contact Person:	Anitra Jones, Benefits Consultant
Department Contact Email Address:	Anitra.Jones@austintexas.gov
Department Contact Telephone:	512-974-3448
Project Name:	Benefit Plan Administration Services
Contractor Name:	Total Administrative Service Corporation dba TASC
Contract Number:	MA 5800 NA190000200
Contract Period:	09/03/2019 – 09/02/2022
Dollar Amount	\$263,181.00
Extension Options:	Two, 12-month options
Requisition Number:	5800 18122100177
Solicitation Type & Number:	RFP 5800 LNH3008
Agenda Item Number:	56
Council Approval Date:	08/22/19

Thank you for your interest in doing business with the City of Austin. If you have any questions regarding this contract, please contact the person referenced under Department Contact Person.

Sincerely,

Lynnette Hicks

Procurement Specialist IV

City of Austin

Purchasing Office

cc: Anitra Jones

**CONTRACT BETWEEN THE CITY OF AUSTIN (“City”)
AND
Total Administrative Service Corporation D/B/A TASC (“Contractor”)
for
Benefit Plan Administration Services
MA 5800 NA190000200**

The City accepts the Contractor’s Offer (as referenced in Section 1.1.3 below) for the above requirement and enters into the following Contract.

This Contract is between Total Administrative Service Corporation dba TASC having offices at 2302 International Lane, Madison, WI 53704 and the City, a home-rule municipality incorporated by the State of Texas and is effective as of the date executed by the City (“Effective Date”).

Capitalized terms used but not defined herein have the meanings given them in Solicitation Number RFP 5800 LNH3008.

1.1 This Contract is composed of the following documents:

- 1.1.1 This Contract
- 1.1.2 The City’s Solicitation, Request for Proposal, RFP 5800 LNH3008 including all documents incorporated by reference
- 1.1.3 Total Administrative Service Corporation D/B/A TASC Offer, dated March 27, 2019, including subsequent clarifications

1.2 Order of Precedence. Any inconsistency or conflict in the Contract documents shall be resolved by giving precedence in the following order:

- 1.2.1 This Contract
- 1.2.2 The City’s Solicitation as referenced in Section 1.1.2, including all documents incorporated by reference
- 1.2.3 The Contractor’s Offer as referenced in Section 1.1.3, including subsequent clarifications.

1.3 Term of Contract.

1.3.1 **Term of Contract.** The Contract shall commence upon execution, unless otherwise specified, and shall remain in effect for an initial term of thirty-six (36) months. The Contract may be extended beyond the initial term for up to two (2) additional twelve (12) month periods at the City’s sole option.

1.3.1.1 If the City exercises any extension option, all terms, conditions, and provisions of the Contract shall remain in effect for that extension period, subject only to any economic price adjustment otherwise allowed under the Contract.

1.3.1.2 Upon expiration of the initial term or any period of extension, the Contractor agrees to hold over under the terms and conditions of this Contract for such a period of time as is reasonably necessary for the City to re-solicit and/or complete the

deliverables due under the Contract (not to exceed 120 calendar days unless mutually agreed to in writing).

1.3.1.3 This is a 36-month Contract. Prices are firm as indicated on Section 0610 Price Sheet.

- 1.4 **Compensation.** The Contractor shall be paid a total Not-to-Exceed amount of \$263,181.00 for the initial Contract term and \$87,727.00 for each extension option for a total not-to-exceed amount of \$438,635.00 as indicated in the Section 0610 Price Sheet. Payment shall be made upon successful completion of services or delivery of goods as outlined in each individual Delivery Order.
- 1.5 **Quantity of Work.** There is no guaranteed quantity of work for the period of the Contract and there are no minimum order quantities. Work will be on an as needed basis as specified by the City for each Delivery Order
- 1.6 **Clarifications and Additional Agreements.** The following are incorporated into the Contract.
- 1.6.1 Benefit plan administration services for 9.0 Flexible Spending Account Administration (FLEXTRA) only.
- 1.6.2 Best and final offer pricing as indicated on Section 0610 Price Sheet dated June 4, 2019.
- 1.6.3 As indicated in the clarification response dated May 24, 2019, for the exception taken to Scope of Work 3.4.8, TASC confirms that it will abide by all rules and regulations in accordance with unclaimed property laws in Texas.
- 1.6.4 As indicated in the clarification response dated May 24, 2019, TASC confirms the FSA medical plan includes TASC Card (a single card for all TASC accounts) at no additional fee. TASC confirms offer to include a participant card along with up to three (3) dependent cards per household at no additional fee. In the event the City of Austin requires additional cards or parameters for participants, TASC shall accommodate as needed.
- 1.6.5 As indicated in the clarification response dated May 24, 2019, TASC confirms the FSA dependent care administration includes the TASC Card, a single card for all TASC accounts, at no additional fee. TASC confirms offer to include a participant card along with up to 3 dependent cards per household at no additional fee. In the event the City of Austin requires additional cards or parameters for participants, TASC shall accommodate as needed.
- 1.6.6 Revisions are accepted to Section 0400, Supplemental Purchas Provisions, Section 15A through C. Ownership and use of Deliverables. Item 15 is replaced with Ownership and use of Deliverables:
- TASC (Contractor) is hereby granting to the Purchaser (City) a non-exclusive, non-assignable, limited license to use on the terms provided herein the forms, plan documents, plan descriptions, procedures, scripts, manuals, marketing materials, brochures, computer programs/platforms and databases (collectively, "Materials") provided by TASC to the Purchaser in connection with the provision of the Subscription Services. The Purchaser shall have a limited license to use Materials solely in connection with its use of the Subscription Services and in accordance with this Contract. It is understood that the Materials are the confidential property of TASC, they are not "work for hire", and no additional rights to use the Materials are granted. The Purchaser shall

retain the confidentiality of Materials and shall not make any direct or indirect use of or reference to TASC trademarks or Materials in connection with the marketing, use, implementation, license, sale or distribution of any program or system. The termination of this Contract shall not affect the duty of the Purchaser not to infringe on TASC's trademarks and copyrights and to keep confidential and not to disclose all Materials. Upon the expiration or termination of this Contract, all limited license rights granted to the Purchaser pursuant to this Contract shall be terminated.

This Contract (including any Exhibits) constitutes the entire agreement of the parties regarding the subject matter of this Contract and supersedes all prior and contemporaneous agreements and understandings, whether written or oral, relating to such subject matter. This Contract may be altered, amended, or modified only by a written instrument signed by the duly authorized representatives of both parties.

In witness whereof, the parties have caused a duly authorized representative to execute this Contract on the date set forth below:

**TOTAL ADMINISTRATIVE SERVICES
CORPORATION DBA TASC**

Nisha Gandhi

Printed Name of Authorized Person

Signature

Executive Vice President, Large Market

Title

08/26/2019

Date

CITY OF AUSTIN

Lynnette Hicks

Printed Name of Authorized Person

Signature

Procurement Specialist IV

Title

9/3/2019

Date



CITY OF AUSTIN, TEXAS
Purchasing Office
REQUEST FOR PROPOSAL (RFP)
OFFER SHEET

SOLICITATION NO: RFP 5800 LNH3008

COMMODITY/SERVICE DESCRIPTION: Benefit Plan
Administration Services

DATE ISSUED: 2/25/19

REQUISITION NO.: 5800 18122100177

PRE-PROPOSAL CONFERENCE TIME AND DATE: March 6,
2019 at 3:00 p.m., CST.

COMMODITY CODE: 95300, 95348, 95348DI,
96102

LOCATION: Municipal Building, 124 W 8th Street, Purchasing
Office Conference Room 310, Austin, TX 78701

**FOR CONTRACTUAL AND TECHNICAL
ISSUES CONTACT THE FOLLOWING
AUTHORIZED CONTACT PERSON:**

PROPOSAL DUE PRIOR TO: March 28, 2019 at 2:00 p.m. CST

PROPOSAL OPENING TIME AND DATE: March 28, 2019 at
3:00 p.m. CST

Primary Contact:

Lynnette Hicks
Procurement Specialist IV

Phone: (512) 974-3349

E-Mail: Lynnette.Hicks@austintexas.gov

LOCATION: MUNICIPAL BUILDING, 124 W 8th STREET
RM 308, AUSTIN, TEXAS 78701

LIVE SOLICITATION OPENING ONLINE: For RFP's, only the
names of respondents will be read aloud

Secondary Contact:

Ricardo Zavala
Procurement Specialist III

Phone: (512) 974-2298

E-Mail: Ricardo.Zavala2@austintexas.gov

For information on how to attend the Solicitation Closing online,
please select this link:

<http://www.austintexas.gov/department/bid-opening-webinars>

**When submitting a sealed Offer and/or Compliance Plan, use the proper address for the type of service desired,
as shown below:**

Address for US Mail (Only)	Address for FedEx, UPS, Hand Delivery or Courier Service
City of Austin	City of Austin, Municipal Building
Purchasing Office-Response Enclosed for Solicitation # RFP 5800-LNH3008	Purchasing Office-Response Enclosed for Solicitation # RFP 5800-LNH3008
P.O. Box 1088	124 W 8 th Street, Rm 308
Austin, Texas 78767-8845	Austin, Texas 78701
	Reception Phone: (512) 974-2500

NOTE: Offers must be received and time stamped in the Purchasing Office prior to the Due Date and Time. It is the responsibility of the Offeror to ensure that their Offer arrives at the receptionist's desk in the Purchasing Office prior to the time and date indicated. Arrival at the City's mailroom, mail terminal, or post office box will not constitute the Offer arriving on time. See Section 0200 for additional solicitation instructions.

All Offers (including Compliance Plans) that are not submitted in a sealed envelope or container will not be considered.

SUBMIT 1 ORIGINAL AND 1 ELECTRONIC COPY (USB FLASH DRIVE) OF YOUR RESPONSE

*****SIGNATURE FOR SUBMITTAL REQUIRED ON PAGE 3 OF THIS DOCUMENT*****

This solicitation is comprised of the following required sections. Please ensure to carefully read each section including those incorporated by reference. By signing this document, you are agreeing to all the items contained herein and will be bound to all terms.

SECTION NO.	TITLE	PAGES
0100	STANDARD PURCHASE DEFINITIONS	*
0200 V2	STANDARD SOLICITATION INSTRUCTIONS, UPDATED JUNE 26, 2018	*
0300	STANDARD PURCHASE TERMS AND CONDITIONS	*
0400	SUPPLEMENTAL PURCHASE PROVISIONS	7
0500	SCOPE OF WORK	17
0600	PROPOSAL PREPARATION INSTRUCTIONS & EVALUATION FACTORS	8
0605	LOCAL BUSINESS PRESENCE IDENTIFICATION FORM – Complete and return	2
0610	Price Sheet – Complete and Return	1
0630	Exceptions – Complete and return	1
0640	HIPAA Business Associate Agreement – Complete and return	4
0800	NON-DISCRIMINATION AND NON-RETALIATION CERTIFICATION–Complete and return	2
0805	NON-SUSPENSION OR DEBARMENT CERTIFICATION	*
0810 V2	NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING CERTIFICATION, UPDATED JUNE 26, 2018	*
0815	LIVING WAGES CONTRACTOR CERTIFICATION–Complete and return	1
0835	NONRESIDENT BIDDER PROVISIONS – Complete and return	1
0840	SERVICE-DISABLED VETERAN BUSINESS ENTERPRISE – Complete and return	1
0900	SUBCONTRACTING/SUB-CONSULTING UTILIZATION FORM – Complete & return	1
0905	SUBCONTRACTING/SUB-CONSULTING UTILIZATION PLAN – Complete and return, if applicable	3
1000	No Offer Reply Form - Complete and return in place of Offer, if applicable	1
Attachment 1	Business Organization Questionnaire - Complete and return	1
Attachment 2	References Questionnaire - Complete and return	1
Attachment 3	Not Included – NO LONGER REQUIRED	0
Attachment 4	Customer Service Questionnaire - Complete and return	1
Attachment 5	Account Team Information – Complete and return	1
Attachment 6	System Capabilities Questionnaire – Complete and Return	1
Attachment 7	Self-Funded Dental Claims Administration Questionnaire - Complete and Return	1
Attachment 8	Flexible Spending Account Administration (FLEXTRA) Questionnaire - Complete and Return - Complete and Return	1
Attachment 9a	Performance Measures – Eligibility and Self-Pay Administration - Complete and Return	1
Attachment 9b	Performance Measures – Open Enrollment Administration - Complete and Return	2
Attachment 10a	Performance Measures – COBRA Administration - Complete and Return	1
Attachment 10b	Performance Measures – Continuation of Coverage for Domestic Partners Administration (CCDP) - Complete and Return	1

Attachment 11	Performance Measures – Self-Funded Dental Plan Claims Administration - Complete and Return	2
Attachment 12	Performance Measures – Flexible Spending Account Administration (FLEXTRA) - Complete and Return	2
Attachment 13	Performance Measures – Child Care Assistance Program Administration (CAP) - Complete and Return	1
Exhibits	Exhibits 1-24	266

*** Documents are hereby incorporated into this Solicitation by reference, with the same force and effect as if they were incorporated in full text. The full text versions of the * Sections are available on the Internet at the following online address:**

http://www.austintexas.gov/financeonline/vendor_connection/index.cfm#STANDARDBIDDOCUMENTS

If you do not have access to the Internet, you may obtain a copy of these Sections from the City of Austin Purchasing Office located in the Municipal Building, 124 West 8th Street, Room #308 Austin, Texas 78701; phone (512) 974-2500. Please have the Solicitation number available so that the staff can select the proper documents. These documents can be mailed, expressed mailed, or faxed to you.

The undersigned, by his/her signature, represents that he/she is submitting a binding offer and is authorized to bind the respondent to fully comply with the solicitation document contained herein. The Respondent, by submitting and signing below, acknowledges that he/she has received and read the entire document packet sections defined above including all documents incorporated by reference, and agrees to be bound by the terms therein.

Company Name: Total Administrative Services Corporation (TASC)

Company Address: 2302 International Lane

City, State, Zip: Madison, WI 53704-3140

Vendor Registration No. _____

Printed Name of Officer or Authorized Representative: Nisha Gandhi

Title: EVP Large Market Sales

Signature of Officer or Authorized Representative: 

Date: 03/27/19

Email Address: Nisha.Gandhi@tasconline.com

Phone Number: 608-241-1900

*** Proposal response must be submitted with this signed Offer sheet to be considered for award**

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

By submitting an Offer in response to the Solicitation, the Contractor agrees that the Contract shall be governed by the following terms and conditions. Unless otherwise specified in the Contract, Sections 3, 4, 5, 6, 7, 8, 20, 21, and 36 shall apply only to a Solicitation to purchase Goods, and Sections 9, 10, 11 and 22 shall apply only to a Solicitation to purchase Services to be performed principally at the City's premises or on public rights-of-way.

1. **CONTRACTOR'S OBLIGATIONS**. The Contractor shall fully and timely provide all Deliverables described in the Solicitation and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable Federal, State, and local laws, rules, and regulations.
2. **EFFECTIVE DATE/TERM**. Unless otherwise specified in the Solicitation, this Contract shall be effective as of the date the contract is signed by the City, and shall continue in effect until all obligations are performed in accordance with the Contract.
3. **CONTRACTOR TO PACKAGE DELIVERABLES**: The Contractor will package Deliverables in accordance with good commercial practice and shall include a packing list showing the description of each item, the quantity and unit price. Unless otherwise provided in the Specifications or Supplemental Terms and Conditions, each shipping container shall be clearly and permanently marked as follows: (a) The Contractor's name and address, (b) the City's name, address and purchase order or purchase release number and the price agreement number if applicable, (c) Container number and total number of containers, e.g. box 1 of 4 boxes, and (d) the number of the container bearing the packing list. The Contractor shall bear cost of packaging. Deliverables shall be suitably packed to secure lowest transportation costs and to conform with requirements of common carriers and any applicable specifications. The City's count or weight shall be final and conclusive on shipments not accompanied by packing lists.
4. **SHIPMENT UNDER RESERVATION PROHIBITED**: The Contractor is not authorized to ship the Deliverables under reservation and no tender of a bill of lading will operate as a tender of Deliverables.
5. **TITLE & RISK OF LOSS**: Title to and risk of loss of the Deliverables shall pass to the City only when the City actually receives and accepts the Deliverables.
6. **DELIVERY TERMS AND TRANSPORTATION CHARGES**: Deliverables shall be shipped F.O.B. point of delivery unless otherwise specified in the Supplemental Terms and Conditions. Unless otherwise stated in the Offer, the Contractor's price shall be deemed to include all delivery and transportation charges. The City shall have the right to designate what method of transportation shall be used to ship the Deliverables. The place of delivery shall be that set forth in the block of the purchase order or purchase release entitled "Receiving Agency".
7. **RIGHT OF INSPECTION AND REJECTION**: The City expressly reserves all rights under law, including, but not limited to the Uniform Commercial Code, to inspect the Deliverables at delivery before accepting them, and to reject defective or non-conforming Deliverables. If the City has the right to inspect the Contractor's, or the Contractor's Subcontractor's, facilities, or the Deliverables at the Contractor's, or the Contractor's Subcontractor's, premises, the Contractor shall furnish, or cause to be furnished, without additional charge, all reasonable facilities and assistance to the City to facilitate such inspection.
8. **NO REPLACEMENT OF DEFECTIVE TENDER**: Every tender or delivery of Deliverables must fully comply with all provisions of the Contract as to time of delivery, quality, and quantity. Any non-complying tender shall constitute a breach and the Contractor shall not have the right to substitute a conforming tender; provided, where the time for performance has not yet expired, the Contractor may notify the City of the intention to cure and may then make a conforming tender within the time allotted in the contract.
9. **PLACE AND CONDITION OF WORK**: The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner, in accordance with and subject to the applicable security laws, rules, and regulations. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the contract. The Contractor hereby releases and holds the City

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

10. WORKFORCE

- A. The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.
- B. The Contractor, its employees, subcontractors, and subcontractor's employees may not while engaged in participating or responding to a solicitation or while in the course and scope of delivering goods or services under a City of Austin contract or on the City's property .
 - i. use or possess a firearm, including a concealed handgun that is licensed under state law, except as required by the terms of the contract; or
 - ii. use or possess alcoholic or other intoxicating beverages, illegal drugs or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs, on the job.
- C. If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs on the job, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

- 11. COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS:** The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. The Contractor shall indemnify and hold the City harmless from and against all claims, demands, suits, actions, judgments, fines, penalties and liability of every kind arising from the breach of the Contractor's obligations under this paragraph.

12. INVOICES:

- A. The Contractor shall submit separate invoices in duplicate on each purchase order or purchase release after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.
- B. **Proper Invoices must include a unique invoice number, the purchase order or delivery order number and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department.** Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. The Contractor's name and, if applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice.
- C. Invoices for labor shall include a copy of all time-sheets with trade labor rate and Deliverables order number clearly identified. Invoices shall also include a tabulation of work-hours at the appropriate rates and grouped by work order number. Time billed for labor shall be limited to hours actually worked at the work site.
- D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.
- E. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

13. **PAYMENT:**

- A. All proper invoices received by the City will be paid within thirty (30) calendar days of the City's receipt of the Deliverables or of the invoice, whichever is later.
- B. **If payment is not timely made, (per paragraph A), interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.**
- C. If partial shipments or deliveries are authorized by the City, the Contractor will be paid for the partial shipment or delivery, as stated above, provided that the invoice matches the shipment or delivery.
- D. The City may withhold or set off the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of:
 - i. delivery of defective or non-conforming Deliverables by the Contractor;
 - ii. third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;
 - iii. failure of the Contractor to pay Subcontractors, or for labor, materials or equipment;
 - iv. damage to the property of the City or the City's agents, employees or contractors, which is not covered by insurance required to be provided by the Contractor;
 - v. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;
 - vi. failure of the Contractor to submit proper invoices with all required attachments and supporting documentation; or
 - vii. failure of the Contractor to comply with any material provision of the Contract Documents.
- E. Notice is hereby given of Article VIII, Section 1 of the Austin City Charter which prohibits the payment of any money to any person, firm or corporation who is in arrears to the City for taxes, and of §2-8-3 of the Austin City Code concerning the right of the City to offset indebtedness owed the City.
- F. Payment will be made by check unless the parties mutually agree to payment by credit card or electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic funds transfer.
- G. The awarding or continuation of this contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds Appropriated and available for this contract. The absence of Appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not Appropriated or available and any Deliverables delivered but unpaid shall be returned to the Contractor. The City shall provide the Contractor written notice of the failure of the City to make an adequate Appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any Appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of non or inadequate appropriation of funds, there will be no penalty nor removal fees charged to the City.

14. **TRAVEL EXPENSES:** All travel, lodging and per diem expenses in connection with the Contract for which reimbursement may be claimed by the Contractor under the terms of the Solicitation will be reviewed against the City's Travel Policy as published and maintained by the City's Controller's Office and the Current United States General Services Administration Domestic Per Diem Rates (the "Rates") as published and maintained on the Internet at:

<http://www.gsa.gov/portal/category/21287>

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

No amounts in excess of the Travel Policy or Rates shall be paid. All invoices must be accompanied by copies of detailed itemized receipts (e.g. hotel bills, airline tickets). No reimbursement will be made for expenses not actually incurred. Airline fares in excess of coach or economy will not be reimbursed. Mileage charges may not exceed the amount permitted as a deduction in any year under the Internal Revenue Code or Regulations.

15. FINAL PAYMENT AND CLOSE-OUT:

- A. If an MBE/WBE Program Compliance Plan is required by the Solicitation, and the Contractor has identified Subcontractors, the Contractor is required to submit a Contract Close-Out MBE/WBE Compliance Report to the Project manager or Contract manager no later than the 15th calendar day after completion of all work under the contract. Final payment, retainage, or both may be withheld if the Contractor is not in compliance with the requirements of the Compliance Plan as accepted by the City.
- B. The making and acceptance of final payment will constitute:
 - i. a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and
 - ii. a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

16. SPECIAL TOOLS & TEST EQUIPMENT: If the price stated on the Offer includes the cost of any special tooling or special test equipment fabricated or required by the Contractor for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of the City and shall be identified by the Contractor as such.

17. AUDITS and RECORDS:

- A. The Contractor agrees that the representatives of the Office of the City Auditor or other authorized representatives of the City shall have access to, and the right to audit, examine, or reproduce, any and all records of the Contractor related to the performance under this Contract. The Contractor shall retain all such records for a period of three (3) years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Contractor are resolved, whichever is longer. The Contractor agrees to refund to the City any overpayments disclosed by any such audit.
- B. Records Retention:
 - i. Contractor is subject to City Code chapter 2-11 (Records Management), and as it may subsequently be amended. For purposes of this subsection, a Record means all books, accounts, reports, files, and other data recorded or created by a Contractor in fulfillment of the Contract whether in digital or physical format, except a record specifically relating to the Contractor's internal administration.
 - ii. All Records are the property of the City. The Contractor may not dispose of or destroy a Record without City authorization and shall deliver the Records, in all requested formats and media, along with all finding aids and metadata, to the City at no cost when requested by the City
 - iii. The Contractor shall retain all Records for a period of three (3) years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Contractor are resolved, whichever is longer.
- C. The Contractor shall include sections A and B above in all subcontractor agreements entered into in connection with this Contract.

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

18. SUBCONTRACTORS:

- A. If the Contractor identified Subcontractors in an MBE/WBE Program Compliance Plan or a No Goals Utilization Plan the Contractor shall comply with the provisions of Chapters 2-9A, 2-9B, 2-9C, and 2-9D, as applicable, of the Austin City Code and the terms of the Compliance Plan or Utilization Plan as approved by the City (the "Plan"). The Contractor shall not initially employ any Subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing in accordance with the provisions of Chapters 2-9A, 2-9B, 2-9C and 2-9D, as applicable. No acceptance by the City of any Subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective Deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Awards and Expenditures Report to the Contract Manager and the Purchasing Office Contract Compliance Manager no later than the tenth calendar day of each month.
- B. Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract, and shall contain provisions that:
 - i. require that all Deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract;
 - ii. prohibit the Subcontractor from further subcontracting any portion of the Contract without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;
 - iii. require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;
 - iv. require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and
 - v. require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.
- C. The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.
- D. The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten (10) calendar days after receipt of payment from the City.

19. WARRANTY-PRICE:

- A. The Contractor warrants the prices quoted in the Offer are no higher than the Contractor's current prices on orders by others for like Deliverables under similar terms of purchase.
- B. The Contractor certifies that the prices in the Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.
- C. In addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like Deliverables under similar terms of purchase.

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

20. **WARRANTY – TITLE:** The Contractor warrants that it has good and indefeasible title to all Deliverables furnished under the Contract, and that the Deliverables are free and clear of all liens, claims, security interests and encumbrances. The Contractor shall indemnify and hold the City harmless from and against all adverse title claims to the Deliverables.
21. **WARRANTY – DELIVERABLES:** The Contractor warrants and represents that all Deliverables sold the City under the Contract shall be free from defects in design, workmanship or manufacture, and conform in all material respects to the specifications, drawings, and descriptions in the Solicitation, to any samples furnished by the Contractor, to the terms, covenants and conditions of the Contract, and to all applicable State, Federal or local laws, rules, and regulations, and industry codes and standards. Unless otherwise stated in the Solicitation, the Deliverables shall be new or recycled merchandise, and not used or reconditioned.
- A. Recycled Deliverables shall be clearly identified as such.
 - B. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law; and any attempt to do so shall be without force or effect.
 - C. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the date of acceptance of the Deliverables or from the date of acceptance of any replacement Deliverables. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand either repair the non-conforming Deliverables, or replace the non-conforming Deliverables with fully conforming Deliverables, at the City's option and at no additional cost to the City. All costs incidental to such repair or replacement, including but not limited to, any packaging and shipping costs, shall be borne exclusively by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach of warranty, but failure to give timely notice shall not impair the City's rights under this section.
 - D. If the Contractor is unable or unwilling to repair or replace defective or non-conforming Deliverables as required by the City, then in addition to any other available remedy, the City may reduce the quantity of Deliverables it may be required to purchase under the Contract from the Contractor, and purchase conforming Deliverables from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such Deliverables from another source.
 - E. If the Contractor is not the manufacturer, and the Deliverables are covered by a separate manufacturer's warranty, the Contractor shall transfer and assign such manufacturer's warranty to the City. If for any reason the manufacturer's warranty cannot be fully transferred to the City, the Contractor shall assist and cooperate with the City to the fullest extent to enforce such manufacturer's warranty for the benefit of the City.
22. **WARRANTY – SERVICES:** The Contractor warrants and represents that all services to be provided the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable Federal, State and local laws, rules or regulations.
- A. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect.
 - B. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the Acceptance Date. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.
 - C. If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.

23. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES:** If, instead of requiring immediate correction or removal and replacement of defective or non-conforming Deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming Deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming Deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.
24. **RIGHT TO ASSURANCE:** Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.
25. **STOP WORK NOTICE:** The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of Federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.
26. **DEFAULT:** The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under Paragraph 24, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by the Contractor to the City.
27. **TERMINATION FOR CAUSE:** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. The City may place Contractor on probation for a specified period of time within which the Contractor must correct any non-compliance issues. Probation shall not normally be for a period of more than nine (9) months, however, it may be for a longer period, not to exceed one (1) year depending on the circumstances. If the City determines the Contractor has failed to perform satisfactorily during the probation period, the City may proceed with suspension. In the event of a default by the Contractor, the City may suspend or debar the Contractor in accordance with the "City of Austin Purchasing Office Probation, Suspension and Debarment Rules for Vendors" and remove the Contractor from the City's vendor list for up to five (5) years and any Offer submitted by the Contractor may be disqualified for up to five (5) years. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law.
28. **TERMINATION WITHOUT CAUSE:** The City shall have the right to terminate the Contract, in whole or in part, without cause any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds Appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof.
29. **FRAUD:** Fraudulent statements by the Contractor on any Offer or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

30. DELAYS:

- A. The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified in paragraph 48. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.
- B. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such Party. In the event of default or delay in contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

31. INDEMNITY:

- A. Definitions:
 - i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments and liability of every character, type or description, including all reasonable costs and expenses of litigation, mediation or other alternate dispute resolution mechanism, including attorney and other professional fees for:
 - (1) damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and subcontractors; the officers, agents, and employees of such subcontractors; and third parties); and/or
 - (2) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's subcontractors, and third parties),
 - ii. "Fault" shall include the sale of defective or non-conforming Deliverables, negligence, willful misconduct, or a breach of any legally imposed strict liability standard.
- B. **THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.**

32. INSURANCE: (reference Section 0400 for specific coverage requirements). The following insurance requirement applies. (Revised March 2013).

A. General Requirements.

- i. The Contractor shall at a minimum carry insurance in the types and amounts indicated in Section 0400, Supplemental Purchase Provisions, for the duration of the Contract, including extension options and hold over periods, and during any warranty period.
- ii. The Contractor shall provide Certificates of Insurance with the coverages and endorsements required in Section 0400, Supplemental Purchase Provisions, to the City as verification of coverage prior to contract execution and within fourteen (14) calendar days after written request from the

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or hold over period is exercised, as verification of continuing coverage.

- iii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- iv. The City may request that the Contractor submit certificates of insurance to the City for all subcontractors prior to the subcontractors commencing work on the project.
- v. The Contractor's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of B+VII or better.
- vi. The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, covering both the City and the Contractor, shall be considered primary coverage as applicable.
- vii. If insurance policies are not written for amounts specified in Section 0400, Supplemental Purchase Provisions, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.
- viii. The City shall be entitled, upon request, at an agreed upon location, and without expense, to review certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.
- ix. The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor.
- x. The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.
- xi. The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. Self-insured retentions shall be disclosed on the Certificate of Insurance.
- xii. The Contractor shall provide the City thirty (30) calendar days' written notice of erosion of the aggregate limits below occurrence limits for all applicable coverages indicated within the Contract.
- xiii. The insurance coverages specified in Section 0400, Supplemental Purchase Provisions, are required minimums and are not intended to limit the responsibility or liability of the Contractor.

B. Specific Coverage Requirements: Specific insurance requirements are contained in Section 0400, Supplemental Purchase Provisions

33. **CLAIMS:** If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse affect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Austin City Attorney. Personal delivery to the City Attorney shall be to City Hall, 301 West 2nd Street, 4th Floor, Austin, Texas 78701, and mail delivery shall be to P.O. Box 1088, Austin, Texas 78767.

34. **NOTICES**: Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the City shall be addressed to the City at P.O. Box 1088, Austin, Texas 78767 and marked to the attention of the Contract Administrator.
35. **RIGHTS TO BID, PROPOSAL AND CONTRACTUAL MATERIAL**: All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, Texas Government Code.
36. **NO WARRANTY BY CITY AGAINST INFRINGEMENTS**: The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the Deliverables and (ii) the Deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the Deliverables and the Contractor does not know of any valid basis for any such claims. The Contractor shall, at its sole expense, defend, indemnify, and hold the City harmless from and against all liability, damages, and costs (including court costs and reasonable fees of attorneys and other professionals) arising out of or resulting from: (i) any claim that the City's exercise anywhere in the world of the rights associated with the City's ownership, and if applicable, license rights, and its use of the Deliverables infringes the intellectual property rights of any third party; or (ii) the Contractor's breach of any of Contractor's representations or warranties stated in this Contract. In the event of any such claim, the City shall have the right to monitor such claim or at its option engage its own separate counsel to act as co-counsel on the City's behalf. Further, Contractor agrees that the City's specifications regarding the Deliverables shall in no way diminish Contractor's warranties or obligations under this paragraph and the City makes no warranty that the production, development, or delivery of such Deliverables will not impact such warranties of Contractor.
37. **CONFIDENTIALITY**: In order to provide the Deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Agreement, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.
38. **PUBLICATIONS**: All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

39. **ADVERTISING**: The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent required by law.
40. **NO CONTINGENT FEES**: The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.
41. **GRATUITIES**: The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Austin with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.
42. **PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS**: No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City.
43. **INDEPENDENT CONTRACTOR**: The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City.
44. **ASSIGNMENT-DELEGATION**: The Contract shall be binding upon and enure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there be no third party beneficiaries to the Contract.
45. **WAIVER**: No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character.
46. **MODIFICATIONS**: The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document shall have any force or effect to change the terms, covenants, and conditions of the Contract.
47. **INTERPRETATION**: The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

48. DISPUTE RESOLUTION:

- A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.
- B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option, the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center (DRC). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.

49. **JURISDICTION AND VENUE:** The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Travis County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

50. **INVALIDITY:** The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

51. **HOLIDAYS:** The following holidays are observed by the City:

<u>Holiday</u>	<u>Date Observed</u>
New Year's Day	January 1
Martin Luther King, Jr.'s Birthday	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving	Friday after Thanksgiving
Christmas Eve	December 24
Christmas Day	December 25

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday.

52. **SURVIVABILITY OF OBLIGATIONS:** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract.

53. **NON-SUSPENSION OR DEBARMENT CERTIFICATION:**

The City of Austin is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.

54. **EQUAL OPPORTUNITY**

A. **Equal Employment Opportunity:** No Contractor, or Contractor's agent, shall engage in any discriminatory employment practice as defined in Chapter 5-4 of the City Code. No Offer submitted to the City shall be considered, nor any Purchase Order issued, or any Contract awarded by the City unless the Offeror has executed and filed with the City Purchasing Office a current Non-Discrimination Certification. Non-compliance with Chapter 5-4 of the City Code may result in sanctions, including termination of the contract and the Contractor's suspension or debarment from participation on future City contracts until deemed compliant with Chapter 5-4.

B. **Americans with Disabilities Act (ADA) Compliance:** No Contractor, or Contractor's agent, shall engage in any discriminatory practice against individuals with disabilities as defined in the ADA, including but not limited to: employment, accessibility to goods and services, reasonable accommodations, and effective communications.

55. **BUY AMERICAN ACT-SUPPLIES (Applicable to certain Federally funded requirements)**

A. Definitions. As used in this paragraph –

i. "Component" means an article, material, or supply incorporated directly into an end product.

ii. "Cost of components" means -

- (1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
- (2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

- iii. "Domestic end product" means-
 - (1) An unmanufactured end product mined or produced in the United States; or
 - (2) An end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as those that the agency determines are not mined, produced, or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality are treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.
- iv. "End product" means those articles, materials, and supplies to be acquired under the contract for public use.
- v. "Foreign end product" means an end product other than a domestic end product.
- vi. "United States" means the 50 States, the District of Columbia, and outlying areas.
- B. The Buy American Act (41 U.S.C. 10a - 10d) provides a preference for domestic end products for supplies acquired for use in the United States.
- C. The City does not maintain a list of foreign articles that will be treated as domestic for this Contract; but will consider for approval foreign articles as domestic for this product if the articles are on a list approved by another Governmental Agency. The Offeror shall submit documentation with their Offer demonstrating that the article is on an approved Governmental list.
- D. The Contractor shall deliver only domestic end products except to the extent that it specified delivery of foreign end products in the provision of the Solicitation entitled "Buy American Act Certificate".

56. PROHIBITION OF BOYCOTT ISRAEL VERIFICATION

Pursuant to Texas Government Code §2270.002, the City is prohibited from contracting with any "company" for goods or services unless the following verification is included in this **Contract**.

- A. For the purposes of this Section only, the terms "company" and "boycott Israel" have the meaning assigned by Texas Government Code §2270.001.
- B. If the **Principal Artist** qualifies as a "company", then the **Principal Artist** verifies that he:
 - i. does not "boycott Israel"; and
 - ii. will not "boycott Israel" during the term of this **Contract**.
- C. The **Principal Artist's** obligations under this Section, if any exist, will automatically cease or be reduced to the extent that the requirements of Texas Government Code Chapter 2270 are subsequently repealed, reduced, or declared unenforceable or invalid in whole or in part by any court or tribunal of competent jurisdiction or by the Texas Attorney General, without any further impact on the validity or continuity of this Contract.

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS – Version 1.1 Revised 3/6/19**

The following Supplemental Purchasing Provisions apply to this solicitation:

1. **EXPLANATIONS OR CLARIFICATIONS:** (reference paragraph 5 in Section 0200)

All requests for explanations or clarifications must be submitted in writing to the Purchasing Office by March 18, 2019 at 4:00 p.m. via email to Lynnette.Hicks@austintexas.gov.

2. **ALTERNATE OFFERS:** (reference paragraph 7A in Section 0200)

Alternate Offers will not be considered.

3. **INSURANCE:** Insurance is required for this solicitation.

A. **General Requirements:** See Section 0300, Standard Purchase Terms and Conditions, paragraph 32, entitled Insurance, for general insurance requirements.

- i. The Contractor shall provide a Certificate of Insurance as verification of coverages required below to the City at the below address prior to contract execution and within 14 calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award
- ii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- iii. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or holdover period is exercised, as verification of continuing coverage.
- iv. The Certificate of Insurance, and updates, shall be mailed to the following address:

City of Austin Purchasing Office
P. O. Box 1088
Austin, Texas 78767

OR

PURInsuranceCompliance@austintexas.gov

B. **Specific Coverage Requirements:** The Contractor shall at a minimum carry insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods, and during any warranty period. These insurance coverages are required minimums and are not intended to limit the responsibility or liability of the Contractor.

- i. **Worker's Compensation and Employers' Liability Insurance:** Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee.
 - (1) The Contractor's policy shall apply to the State of Texas and include these endorsements in favor of the City of Austin:
 - (a) Waiver of Subrogation, Form WC420304, or equivalent coverage
 - (b) Thirty (30) days Notice of Cancellation, Form WC420601, or equivalent coverage
- ii. **Commercial General Liability Insurance:** The minimum bodily injury and property damage per occurrence are \$500,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injury).
 - (1) The policy shall contain the following provisions:

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS – Version 1.1 Revised 3/6/19**

- (a) Contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project.
 - (b) Contractor/Subcontracted Work.
 - (c) Products/Completed Operations Liability for the duration of the warranty period.
 - (d) If the project involves digging or drilling provisions must be included that provide Explosion, Collapse, and/or Underground Coverage.
 - (2) The policy shall also include these endorsements in favor of the City of Austin:
 - (a) Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage
 - (b) Thirty (30) days Notice of Cancellation, Endorsement CG 0205, or equivalent coverage
 - (c) The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent coverage
- iii. **Business Automobile Liability Insurance:** The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident.
 - (1) The policy shall include these endorsements in favor of the City of Austin:
 - (a) Waiver of Subrogation, Endorsement CA0444, or equivalent coverage
 - (b) Thirty (30) days Notice of Cancellation, Endorsement CA0244, or equivalent coverage
 - (c) The City of Austin listed as an additional insured, Endorsement CA2048, or equivalent coverage.
- iv. **Professional Liability Insurance:** The Contractor shall provide coverage, at a minimum limit of \$1,000,000.00 per claim, to pay on behalf of the assured all sums which the assured shall become legally obligated to pay as damages by reason of any negligent act, error, or omission arising out of the performance of professional services under this Agreement.

If coverage is written on a claims-made basis, the retroactive date shall be prior to or coincident with the date of the Contract and the certificate of insurance shall state that the coverage is claims-made and indicate the retroactive date. This coverage shall be continuous and will be provided for 24 months following the completion of the contract.
- C. **Endorsements:** The specific insurance coverage endorsements specified above, or their equivalents must be provided. In the event that endorsements, which are the equivalent of the required coverage, are proposed to be substituted for the required coverage, copies of the equivalent endorsements must be provided for the City's review and approval.

~~4. **PROPOSAL BOND: ("BOND")**~~

- ~~A. All Offers shall be accompanied by a Proposal Bond in an amount of not less than five percent (5%) of the total Offer. The Proposal Bond must have a Power of Attorney attached, issued by a solvent surety authorized under the laws of the State of Texas and acceptable to the City.~~
- ~~B. The Proposal Bond accompanying the Offer of the apparent successful Offeror will be retained until a Contract is awarded and the successful Offeror executes the Contract and furnishes any required bonds and insurance, after which the Proposal Bond will be returned to the Offeror. The Proposal Bond provided by the next lowest or next Best Offeror will be retained until a Contract is awarded. All other Proposal Bonds will be returned within a reasonable amount of time necessary to make an award recommendation.~~

5. **PERFORMANCE BOND:**

- A. The Contractor shall provide a Performance Bond in an amount equal to 100% of the Contract amount within 14 calendar days after notification of award. The Performance Bond serves as security for the faithful performance of all of the Contractor's obligations under the Contract. The Performance

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS – Version 1.1 Revised 3/6/19**

Bond shall be issued by a solvent company authorized to do business in the State of Texas, and shall meet any other requirements established by law or by the City pursuant to applicable law. The Surety must obtain reinsurance for any portion of the risk that exceeds 10% of the Surety's capital and surplus. For bonds exceeding \$100,000, the Surety must also hold a certificate of authority from the U.S. Secretary of the Treasury or have obtained reinsurance from a reinsurer that is authorized as a reinsurer in Texas and holds a certificate of authority from the U.S. Secretary of the Treasury.

- B. The Performance Bond shall remain in effect throughout the term of the Contract and shall be renewed for each respective extension.

6. **TERM OF CONTRACT:**

- A. Contract shall commence upon execution, unless otherwise specified, and shall remain in effect for an initial term of thirty-six (36) months. The Contract may be extended beyond the initial term for up to two (2) additional 12-month periods at the City's sole option. If the City exercises any extension option, all terms, conditions, and provisions of the Contract shall remain in effect for that extension period, subject only to any economic price adjustment otherwise allowed under the Contract.
- B. Upon expiration of the initial term or any period of extension, the Contractor agrees to hold over under the terms and conditions of this Contract for such a period of time as is reasonably necessary for the City to re-solicit and/or complete the deliverables due under this Contract. Any hold over period will not exceed 120 calendar days unless mutually agreed on by both parties in writing.
- C. Upon written notice to the Contractor from the City's Purchasing Officer or his designee and acceptance of the Contractor, the term of this contract shall be extended on the same terms and conditions for an additional period as indicated in paragraph A above.

7. **QUANTITIES:** The quantities listed herein are estimates for the period of the Contract. The City reserves the right to purchase more or less of these quantities as may be required during the Contract term. Quantities will be as needed and specified by the City for each order. Unless specified in the solicitation, there are no minimum order quantities.

8. **INVOICES and PAYMENT:** (reference paragraphs 12 and 13 in Section 0300)

- A. Invoices shall contain a unique invoice number and the information required in Section 0300, paragraph 12, entitled "Invoices." Invoices received without all required information cannot be processed and will be returned to the vendor.

Invoices shall be mailed or emailed to the below address:

	City of Austin
Department	Human Resources
Attn:	Anitra Jones, anitra.jones@austintexas.gov
Address	One Texas Center, 505 Barton Springs Road, Ste. 600
City, State Zip Code	Austin, TX 78704-1245

- B. The Contractor agrees to accept payment by either credit card, check or Electronic Funds Transfer (EFT) for all goods and/or services provided under the Contract. The Contractor shall factor the cost of processing credit card payments into the Offer. There shall be no additional charges, surcharges, or penalties to the City for payments made by credit card.

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS – Version 1.1 Revised 3/6/19**

9. RECYCLED PRODUCTS:

- A. The City prefers that Offerors offer products that contain recycled materials. When a recycled product is offered by the Offeror, the Offeror must state in their Offer the percentage of the product that is recycled and must include a list of the recycled materials that are contained in the product.
- B. The recycled content of paper products offered to the City shall be in accordance with the Federal Environmental Protection Agency's Recycled Product Procurement Guidelines. These guidelines are available at <http://www.epa.gov/cpg/>.
- C. Contract award for paper products will be made for recycled products unless the cost is more than 10% above the lowest price for non-recycled paper products as required in the City's Comprehensive Recycling Resolution.

10. LIVING WAGES:

The City's Living Wage Program, Rule R161-17.14, is located at:

<http://www.austintexas.gov/edims/document.cfm?id=277854>

- A. The minimum wage required for all Contractor Employees (and all tiers of Subcontracting) directly assigned to this City Contract is \$15.00 per hour, unless Published Wage Rates are included in this solicitation. In addition, the City may stipulate higher wage rates in certain solicitations in order to assure quality and continuity of service.
- B. The City requires Contractors submitting Offers on this Contract to provide a certification (**see the Living Wages Contractor Certification included in the Solicitation**) with their Offer certifying that all Contractor Employees (and all tiers of Subcontracting) directly assigned to this City Contract will be paid a minimum living wage equal to or greater than \$15.00 per hour. The certification shall include a list of all Contractor Employees (and all tiers of Subcontracting) directly assigned to providing services under the resultant contract including their name and job title. The list shall be updated and provided to the City as necessary throughout the term of the Contract.
- C. The Contractor shall maintain throughout the term of the resultant contract basic employment and wage information for each employee as required by the Fair Labor Standards Act (FLSA).
- D. The Contractor shall provide to the Department's assigned Contract Manager with the first invoice, individual Employee Certifications for all Contractor Employees (and all tiers of Subcontracting) directly assigned to the contract. The City reserves the right to request individual Employee Certifications at any time during the contract term. Employee Certifications shall be signed by each Contractor Employee (and all tiers of Subcontracting) directly assigned to the contract. The Employee Certification form is available on-line at https://www.austintexas.gov/financeonline/vendor_connection/index.cfm.
- E. Contractor shall submit employee certifications for Contractor Employees (and all tiers of Subcontracting) annually on the anniversary date of contract award with the respective invoice to verify that employees are paid the Living Wage throughout the term of the contract. The Employee Certification Forms shall be submitted for Contractor Employees (and all tiers of Subcontracting) added to the contract and/or to report any employee changes as they occur.
- F. The Department's assigned Contract Manager will periodically review the employee data submitted by the Contractor to verify compliance with this Living Wage provision. The City retains the right to review employee records required in paragraph C above to verify compliance with this provision.

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS – Version 1.1 Revised 3/6/19**

11. NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING:

- A. On June 14, 2018, the Austin City Council adopted Ordinance No. 20180614-056 replacing Chapter 2.7, Article 6 of the City Code relating to Anti-Lobbying and Procurement. The policy defined in this Code applies to Solicitations for goods and/or services requiring City Council approval under City Charter Article VII, Section 15 (Purchase Procedures). The City requires Offerors submitting Offers on this Solicitation to certify that the Offeror has not in any way directly or indirectly had communication restricted in the ordinance section 2-7-104 during the No-Lobbying Period as defined in the Ordinance. The text of the City Ordinance is posted on the Internet at: https://assets.austintexas.gov/purchase/downloads/New_ALO_Ordinance_No_20180614-056.pdf and is also included in the Solicitation, [Section 0200 V2, Solicitation Instructions June 26, 2018](#).

12. NON-SOLICITATION:

- A. During the term of the Contract, and for a period of six (6) months following termination of the Contract, the Contractor, its affiliate, or its agent shall not hire, employ, or solicit for employment or consulting services, a City employee employed in a technical job classification in a City department that engages or uses the services of a Contractor employee.
- B. In the event that a breach of Paragraph A occurs the Contractor shall pay liquidated damages to the City in an amount equal to the greater of: (i) one (1) year of the employee's annual compensation; or (ii) 100 percent of the employee's annual compensation while employed by the City. The Contractor shall reimburse the City for any fees and expenses incurred in the enforcement of this provision.
- C. During the term of the Contract, and for a period of six (6) months following termination of the Contract, a department that engages the services of the Contractor or uses the services of a Contractor employee will not hire a Contractor employee while the employee is performing work under a Contract with the City unless the City first obtains the Contractor's approval.
- D. In the event that a breach of Paragraph C occurs, the City shall pay liquidated damages to the Contractor in an amount equal to the greater of: (i) one (1) year of the employee's annual compensation or (ii) 100 percent of the employee's annual compensation while employed by the Contractor.

13. WORKFORCE SECURITY CLEARANCE AND IDENTIFICATION (ID):

- A. Access to the Human Resources Department building by the Contractor, all subcontractors and their employees will be strictly controlled at all times by the City. Security badges will be issued by the Department for this purpose. The Contractor shall submit a complete list of all persons requiring access to the Human Resources building at least thirty (30) days in advance of their need for access. The City reserves the right to deny a security badge to any Contractor personnel for reasonable cause. The City will notify the Contractor of any such denial no more than twenty (20) days after receipt of the Contractor's submittal.
- B. Where denial of access by a particular person may cause the Contractor to be unable to perform any portion of the work of the contract, the Contractor shall so notify the City's Contract Manager, in writing, within ten (10) days of the receipt of notification of denial.
- C. Contractor personnel will be required to check in at the security desk when entering or leaving the Human Resources building and security badges must be on display at all times when in the building. Failure to do so may be cause for removal of Contractor Personnel from the worksite, without regard to Contractor's schedule. Security badges may not be removed from the premises.
- D. The Contractor shall provide the City's Contract Manager with a list of personnel scheduled to enter the building, seven days in advance. The list shall identify the persons by name, date of birth, driver's license number, the times that they will be inside the building and the areas where they will be

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS – Version 1.1 Revised 3/6/19**

working. Only persons previously approved by the City for the issuance of security badges will be admitted to the building.

- E. The Contractor shall comply with all other security requirements imposed by the City and shall ensure that all employees and subcontractors are kept fully informed as to these requirements.
14. **INTERLOCAL PURCHASING AGREEMENTS:** (applicable to competitively procured goods/services contracts).
- A. The City has entered into Interlocal Purchasing Agreements with other governmental entities, pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Contractor agrees to offer the same prices and terms and conditions to other eligible governmental agencies that have an interlocal agreement with the City.
 - B. The City does not accept any responsibility or liability for the purchases by other governmental agencies through an interlocal cooperative agreement.
15. **OWNERSHIP AND USE OF DELIVERABLES:** The City shall own all rights, titles, and interests throughout the world in and to the Deliverables.
- A. **Patents:** As to any patentable subject matter contained in the Deliverables, the Contractor agrees to disclose such patentable subject matter to the City. Further, if requested by the City, the Contractor agrees to assign and, if necessary, cause each of its employees to assign the entire right, title, and interest to specific inventions under such patentable subject matter to the City and to execute, acknowledge, and deliver and, if necessary, cause each of its employees to execute, acknowledge, and deliver an assignment of letters patent, in a form to be reasonably approved by the City, to the City upon request by the City.
 - B. **Copyrights:** As to any Deliverable containing copyrighted subject matter, the Contractor agrees that upon their creation, such Deliverables shall be considered as work made-for-hire by the Contractor for the City and the City shall own all copyrights in and to such Deliverables, provided however, that nothing in this Paragraph 36 shall negate the City's sole or joint ownership of any such Deliverables arising by virtue of the City's sole or joint authorship of such Deliverables. Should by operation of law, such Deliverables not be considered work made-for-hire, the Contractor hereby assigns to the City (and agrees to cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver an assignment to the City of Austin) all worldwide right, title, and interest in and to such Deliverables. With respect to such work made-for-hire, the Contractor agrees to execute, acknowledge and deliver and cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver a work-for-hire agreement, in a form to be reasonably approved by the City, to the City upon delivery of such Deliverables to the City or at such other time as the City may request.
 - C. **Additional Assignments:** The Contractor further agrees to, and if applicable, cause each of its employees to execute, acknowledge, and deliver all applications, specifications, oaths, assignments, and all other instruments which the City might reasonably deem necessary in order to apply for and obtain copyright protection, mask work registration, trademark registration and/or protection, letters patent, or any similar rights in any and all countries and in order to assign and convey to the City, its successors, assigns, and nominees, the sole and exclusive right, title, and interest in and to the Deliverables. The Contractor's obligations to execute acknowledge, and deliver (or cause to be executed, acknowledged, and delivered) instruments or papers such as those described in this Paragraph 36 A., B., and C. shall continue after the termination of this Contract with respect to such Deliverables. In the event the City should not seek to obtain copyright protection, mask work registration or patent protection for any of the Deliverables, but should arise to keep the same secret, the Contractor agrees to treat the same as Confidential Information under the terms of Paragraph above.

CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS – **Version 1.1 Revised 3/6/19**

16. **CONTRACT MANAGER**: The following person is designated as Contract Manager, and will act as the contact point between the City and the Contractor during the term of the Contract:

Anitra Jones, Benefits Consultant

Anitra.Jones@austintexas.gov

512-974-3448

*Note: The above listed Contract Manager is not the authorized Contact Person for purposes of the **NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING Provision** of this Section; and therefore, contact with the Contract Manager is prohibited during the no contact period.

SCOPE OF WORK – Version 1.1 Revised 032019

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

1.0 PURPOSE

The City of Austin, hereinafter referred to as the “City,” seeks responses to this Request for Proposal (RFP) from qualified firms, agents, and brokers with public sector experience that can provide the requested services in this Scope of Work. These services shall be provided to City of Austin eligible “Covered Persons” listed below:

- Active and Temporary Employees
- Retirees and Surviving Dependents (retirees)
- Surviving Family Members
- Consolidated Omnibus Budget Reconciliation Act Participations (COBRA)
- Domestic Partners (same/opposite sex)
- Employees and Retirees of current Affiliated Employers
 - City of Austin Employees’ Retirement System (COAERS)
 - Austin Fire Fighters Relief and Retirement Fund (AFRS)
 - Austin Police Retirement System (PRS)
- Eligible Dependents
- Disabled Dependents over age 26

Requested Services	Section	Current Vendor
Eligibility and Self-Pay Program Administration	4.0	CompuSys/Erisa Group Inc.
Open Enrollment Administration	5.0	CompuSys/Erisa Group Inc.
COBRA Administration	6.0	CompuSys/Erisa Group Inc.
Continuation of Coverage for Domestic Partners Administration (CCDP)	7.0	CompuSys/Erisa Group Inc.
Self-Funded Dental Plan Claims Administration	8.0	CompuSys/Erisa Group Inc.
Flexible Spending Account Administration (FLEXTRA Administration) <ul style="list-style-type: none">• Health Care (FHC)• Dependent Care (FDC)	9.0	CompuSys/Erisa Group Inc.
Child Care Assistance Program Administration (CAP)	10.0	CompuSys/Erisa Group Inc.

Proposer may submit a Proposal for any or all requested services. The City may elect to award separate contracts for each service or combine services into one or more contracts. The City prefers an integrated approach for all services. The term of the contract(s) will be a thirty-six (36) month initial term with two (2) twelve (12) month extension options. The current contract expires December 31, 2019. If awarded, new contract(s) will commence January 1, 2020 with implementation to begin no later than June 2019.

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

2.0 BACKGROUND

- 2.1 Employees are currently offered the following benefits: medical, dental, vision, basic life, supplemental life, dependent life, short term disability, long term disability, legal, FLEXTRA, Health Savings Account, Child Care Assistance Program, and a wellness program.
 - 2.1.1 As of December 2018, there were 14,339 active and temporary employees eligible for benefits. Of these, 13,260 employees and 18,620 dependents were enrolled in at least one benefit. The enrollment volume has increased 7% in the last three years.
 - 2.1.2 As of December 2018, there were 116 temporary employees enrolled in medical coverage. Temporary employees are eligible for medical coverage after 12 months of continuous service. No other benefits are extended to temporary employees.
- 2.2 Retirees are currently offered the following benefits: medical, dental, vision, Health Reimbursement Account (HRA), and a wellness program.
 - 2.2.1 As of December 2018, there were 7,530 retirees eligible for benefits. Of these, 5,784 retirees and 3,672 dependents were enrolled in at least one benefit. The enrollment volume has increased 5% in the last three years.
 - 2.2.2 The City coordinates benefits annuity deductions with three pension systems COAERS, AFRS, and PRS.

- 2.3 Please refer to the Exhibits to this RFP for further information:

Employees

- Exhibit 1 - 2019 Employee Benefits Guide
- Exhibit 2 - City of Austin 2019 Benefits Enrollment Form
- Exhibit 3 - 2019 Temporary Employee Benefits Guide
- Exhibit 4 - City of Austin Temporary Employee Enrollment Form
- Exhibit 5 - Employee Benefits Deduction Codes
- Exhibit 6 - Payroll File Layout
- Exhibit 7 - Employee Open Enrollment File Layout
- Exhibit 8 - Dependent Addition and Change Form For Court-Mandated Health Coverage
- Exhibit 9 - City of Austin Child Care Assistance Program Certification Form
- Exhibit 10 - City of Austin Child Care Assistance Program 2019 Disbursement Request

Retirees

- Exhibit 11 - 2019 Benefits Guide for Retirees and Surviving Dependents
- Exhibit 12 - City of Austin 2019 Retiree Benefits Enrollment Form
- Exhibit 13 - Retiree Benefits Deduction Codes
- Exhibit 14 - Retiree All Enrollees Report (monthly)
- Exhibit 15 - Retiree Open Enrollment File Layout

Other Forms

- Exhibit 16 - City of Austin Wellness Enrollment Form
- Exhibit 17 - City of Austin FY 2018–19 Payroll Calendar
- Exhibit 18 - Plan Year 2019 FLEXTRA City of Austin Cafeteria Plan
- Exhibit 19 - Application to Request Continuation of Coverage for a Disabled Dependent Child at Age 26 and Over

General Reports

- Exhibit 20 - General Reports
 - A. Employee Enrollment Report (monthly)
 - B. Retiree Enrollment Report (monthly)

SCOPE OF WORK – Version 1.1 Revised 032019

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

- C. COBRA Enrollment Report (monthly)
- D. Age Limit Report (monthly)
- E. Age 65 Medicare Eligibility Report (monthly)
- F. Duplicate Coverage Report (bi-weekly)
- G. Termination Report (bi-weekly)
- H. Employee Exception Report (bi-weekly)
- I. Retiree Exception Report (monthly)

Open Enrollment

Exhibit 21 - Open Enrollment Reports

- A. Demographic Changes Report
- B. Online Participation Report
- C. Retiree Changes Report for RDS
- D. QMCSO Report
- E. Duplicate Coverage Report
- F. Plan Migration Report
- G. Dependent Verification Report
- H. FHC Balance Report for CDHP Participants
- I. CDHP Participants Report
- J. 2018 Employee Coverage Information Statement
- K. Your 2019 Employee Benefits Confirmation Statement
- L. 2018 Retiree Coverage Information Statement (2 pages)
- M. Your 2019 City of Austin Retiree Confirmation Statement
- N. Your 2018 City of Austin Retiree Confirmation Statement Passive Enrollment

Dental

Exhibit 22 - 2019 Employee Dental Assistance Plan Document

Exhibit 23 - Dental Claims and Census

- A. City of Austin Dental Assistance Plan - 2017 Dental Claims
- B. City of Austin Dental Assistance Plan - 01012018 thru 11302018 Dental Claims
- C. Dental Assistance Plan Census as of Jan 2019

Miscellaneous

Exhibit 24 - Information Not Included on Benefits Enrollment Form

3.0 GENERAL REQUIREMENTS FOR ALL SERVICES - All General Requirements must be included in the proposed base fee.

- 3.1 Proposer shall submit a Proposal that includes services for all eligible Covered Persons.
- 3.2 Federal, State and Local Law Requirements
 - 3.2.1 Contractor shall administer all services for these benefits in strict compliance with applicable federal, state and local laws.
 - 3.2.2 Facilities and equipment shall be accessible and in compliance with Americans with Disabilities Act (ADA) requirements.
 - 3.2.3 If a federal, state, or local law requires distribution of information to Covered Persons, Contractor shall distribute such information directly to Covered Persons' mailing addresses.
 - 3.2.4 Contractor shall monitor, on an ongoing basis, federal and state legislative activity and inform the City of all bills under consideration that could potentially affect the City's ability to provide benefits to Covered Persons as described in this Scope of Work.

SCOPE OF WORK – Version 1.1 Revised 032019

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

- 3.3 Contractor shall agree to work with vendors contracted by the City.
- 3.4 Cost and Financial Information
 - 3.4.1 Contractor shall provide fee guarantees or fee caps (fees with a maximum percentage increase) for each extension option. Fees shall be provided on Section 0610 Price Sheet.
 - 3.4.2 Contractor shall guarantee fees regardless of enrollment per plan year.
 - 3.4.3 Contractor shall calculate monthly fees owed by the City for employees and retirees using enrollment information as of the first day of each month. Contractor shall honor the enrollment dates of employees and retirees who enroll after the first day of each month. Contractor will be paid for these persons beginning the following month.
 - 3.4.4 Contractor shall provide invoices to the City by the 10th of the month for administrative services. Invoices shall include vendor name and payment address as it appears on the City's Vendor Registration System, invoice date, non-duplicated invoice number, itemized listing of services rendered, and date of service. Payment will be made in accordance with the payment terms stated in Section 0300 of the solicitation. Invoices shall be emailed to Anitra.Jones@austintexas.gov
 - 3.4.5 Contractor shall process deposits and payments out of the City's zero balance account (ZBA) for the following administration services: COBRA, CCDP, Self-Pay Program Administration, Self-Funded Dental Plan Claims Administration, and the CAP Administration.
 - 3.4.6 Contractor shall process deposits and payments out of a separate bank account for the FLEXTRA. This is **not** a City account. The City deposits employee payroll deductions on a bi-weekly basis.
 - 3.4.7 Contractor shall work with the City's Financial Services Department to implement procedures for banking arrangements, wire transfers, and bank reconciliations. Contractor shall comply with the bank's process to eliminate check fraud.
 - 3.4.8 Contractor shall process and report unclaimed property (claim checks) in accordance with Texas unclaimed property laws and regulations.
 - 3.4.9 Contractor shall provide 1099 functions, by reporting in accordance with timelines and regulations established by the IRS.
- 3.5 Customer Service
 - 3.5.1 Contractor shall have a toll-free telephone number and a text telephone line or state relay capability.
 - 3.5.2 Customer service line must be fully operational on January 1, 2020.
 - 3.5.3 Contractor's customer service shall include, at a minimum: verification of eligibility and benefits, claims inquiries, and problem resolution.
 - 3.5.4 Contractor shall provide translation services.
 - 3.5.5 Contractor's telephone system shall have the capability to prompt-out to speak to a customer service representative.
 - 3.5.6 Contractor shall have customer service staff available to answer questions Monday through Friday, from 7:30 a.m. to 5 p.m. Central Time.
 - 3.5.7 Contractor shall assign designated staff to the City's account.
 - 3.5.8 Contractor shall respond to telephone calls and email from City staff within one (1) business day.
- 3.6 Transition and Implementation Timelines
 - 3.6.1 Contractor shall work with current vendor to ensure all required information is transferred to ensure no disruption in service.
 - 3.6.2 Within 30 days of contract award and execution, Contractor shall meet with the City to finalize administrative procedures, expectations and program implementation. Within 30 days of the meeting, the Contractor shall provide the City with four copies of an administrative manual detailing the administrative procedures and expectations as agreed upon during the meeting.

SCOPE OF WORK – Version 1.1 Revised 032019

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

- 3.6.3 Contractor shall provide training and education sessions as determined by the City for City benefits staff concerning program administration.
- 3.6.4 Contractor shall attend quarterly employer meetings as determined by the City.
- 3.6.5 Contractor shall load the eligibility file received from the current vendor for all Covered Persons during the vendor transition.
- 3.6.6 Contractor's system shall verify eligibility, benefits, and process claims, as of 12:01 a.m. on January 1, 2020.
- 3.6.7 At the end of the contract period, Contractor shall be required to cooperate with any successful Contractor(s) regarding claims and eligibility data transmission to ensure no disruption in service, at no additional cost.
- 3.7 Auditing
 - 3.7.1 Contractor shall have a separate unit or individual, not involved in claims processing, perform fraud investigations when necessary.
 - 3.7.2 The City may perform audits, at their discretion, with Contractor absorbing its own cost for the audit and the City absorbing the cost of its audit team.
 - 3.7.3 Contractor shall allow the City to audit or designate an independent third party to audit. The City's auditors may examine all related documentation including contracts, tapes/files and/or on-site records and transactions relating to the services provided to the City.
 - 3.7.4 Contractor shall reimburse the City for any amounts identified as overpaid incorrectly during the audit. Contractor shall not seek reimbursement from Covered Persons for claims paid incorrectly for dental, FLEXTRA, CAP, COBRA and CCDP during a previous plan year.
 - 3.7.5 Dental Contractor shall, on an annual basis, have a duly licensed and certified external auditing firm conduct an audit in accordance with the American Institute of Certified Public Accountants Statement on Standards for Attestation Engagement 16 (SSAE 16), Reporting on Controls at Service Organizations. Upon completion of the audit, Contractor shall provide an electronic copy of the audit report to the City Contract Manager.
 - 3.7.6 Audits may continue up to three years after termination or expiration of the contract.
- 3.8 Data Management
 - 3.8.1 Contractor shall accept and send enrollment information electronically on a bi-weekly basis in the 834 file format required by HIPAA to the City's benefits vendors. Enrollment information shall be sent to vendors within four business days of receipt.
 - 3.8.2 Contractor shall comply with the City's Payroll File specifications and receive electronic transmission of the Payroll File on a bi-weekly basis. The Contractor shall accept the Payroll File Layout. See Section 2.3 Exhibits 6 and 17.
 - 3.8.3 Contractor shall develop an electronic transmission of data interface that complies with the specifications agreed upon by the City and the City's benefit vendors to provide enrollment information and updated eligibility records electronically on a bi-weekly basis in the 834 file layout format required by HIPAA. Contractor shall send the full or change 834 HIPAA File within five (5) business days of receiving the Payroll File. Contractor will be responsible for the accuracy and timeliness of all information submitted to the City's benefit vendors.
 - 3.8.4 Contractor will receive 834 HIPAA File transmission error reports within 24 hours of sending the bi-weekly 834 HIPAA File to the City's benefit vendors.
 - 3.8.5 Contractor shall reconcile and resolve transmission errors within two (2) business days.
 - 3.8.6 Contractor shall work with each of the City's benefit vendors to determine the structure coding for the 834 HIPAA File setup. The structure coding would determine the Covered Person's "category" for reporting purposes.
 - 3.8.7 Contractor shall accept both the Covered Persons' Social Security Number and identifier determined by the City.

SCOPE OF WORK – Version 1.1 Revised 032019

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

- 3.8.8 Contractor shall be able to assign an identifier other than the Covered Persons' Social Security Number and employee identification number.
- 3.8.9 Contractor shall use deduction codes as defined by the City. See Section 2.3, Exhibits 5 and 13.
- 3.8.10 Eligibility Contractor shall provide real time web-based eligibility access to City Benefits staff, to view current benefit elections and dependent information. Contractor shall be able to calculate and track the employee's premium on a bi-weekly basis for Basic Life, Supplemental Life, Short Term Disability, and Long-Term Disability based on rate, annual salary, volume, and age.
- 3.8.11 Contractor shall maintain a secure delivery system for the purposes of transmitting and receiving confidential electronic information with the City and its benefit vendors, including paper documentation on a daily basis.
- 3.8.12 Contractor shall maintain a minimum of 36 months enrollment and eligibility data for all benefits on each Covered Person.
- 3.8.13 Contractor shall have a disaster recovery program in place to ensure the integrity of data in case of a disaster.
- 3.9 Maintenance of Records
 - 3.9.1 Contractor shall maintain all manual and automated records/files for a period of three (3) years after the termination or expiration of the Contract. All records/files, either manual or automated, are the property of the City. Under no circumstances may the Contractor keep, transfer or purge these records without authorization from the City.
 - 3.9.2 Notice of location for the timely and orderly transfer of records/files will be given by the City verbally and/or in writing 30 calendar days prior to the transfer.
 - 3.9.3 The transfer shall occur within the 30-day limit established by the City.
 - 3.9.4 All records/files will be transferred electronically. Contractor shall provide a report of all records/files transferred.
- 3.10 Reconciliations
 - 3.10.1 Employees
 - 3.10.1.1 Contractor shall receive the City's Payroll File and Termination Report three (3) to five (5) days after each pay period ends. See Section 2.3, Exhibits 6 and 20G.
 - 3.10.1.2 Contractor shall update their eligibility system.
 - 3.10.1.3 Contractor shall produce an Employee Exception Report by comparing the Contractor's eligibility data against the Payroll File for each employee benefit program and coverage level. See Section 2.3, Exhibits 6 and 20H.
 - 3.10.1.4 Contractor shall send the Employee Exception Report electronically to the City within three business days of receiving the Payroll File. See Section 2.3, Exhibit 20H.
 - 3.10.2 Retirees
 - 3.10.2.1 Contractor will receive the City's monthly Retiree All Enrollees Report by the 25th of each month. See Section 2.3, Exhibit 14.
 - 3.10.2.2 Contractor shall update their eligibility system.
 - 3.10.2.3 Contractor shall produce a Retiree Exception Report by comparing the Contractor's eligibility data against the Retiree All Enrollees Report for each retiree benefit program and coverage level. See Section 2.3, Exhibit 20I.
 - 3.10.2.4 Contractor shall send the Retiree Exception Report electronically to the City within three business days of receiving the Retiree All Enrollees Report.
- 3.11 Reporting
 - 3.11.1 Contractor shall provide all reports, as determined by the City, in Excel or Word format.
 - 3.11.2 Contractor shall have reporting capabilities for all information provided by the City.

SCOPE OF WORK – Version 1.1 Revised 032019

CITY OF AUSTIN PURCHASING OFFICE REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008 BENEFIT PLAN ADMINISTRATION SERVICES

- 3.11.3 Contractor shall provide ad hoc reports as requested by the City at no additional cost.
- 3.11.4 Contractor shall submit all reports/files containing social security numbers or protected health information through secured email or uploaded to a secured website.

4.0 ELIGIBILITY AND SELF-PAY PROGRAM ADMINISTRATION

Background

The City processes paper enrollment forms for employees on a weekly basis. Retiree forms are processed on a daily basis. On an annual basis, employees and retirees have the option to participate in Open Enrollment via online, telephone or by completing a paper enrollment form. The City's system does not track dependent data. The eligibility vendor will be required to key and track all benefits and dependent data into their system from enrollment forms. The City will consider an option for a paperless process if it is a cloud-based system that interacts with the City's payroll system, Banner.

4.1 Administration Requirements

- 4.1.1 The City determines eligibility and the Contractor shall agree to abide by the City's policies and procedures regarding eligibility and coverage effective dates for all Covered Persons. See Section 2.3, Exhibit 1, 3, and 11.
- 4.1.2 Contractor shall accept, key and track enrollment forms. See Section 2.3, Exhibits 2, 4, 12, and 16. Proposer can propose the City's current paper enrollment process or a paperless option.
- 4.1.3 Contractor shall maintain enrollment forms and be available upon City request.
- 4.1.4 Contractor shall update their eligibility system within two business days of any information received.
- 4.1.5 Contractor shall key and track additional information not included on the enrollment forms. See Section 2.3, Exhibit 24.
- 4.1.6 Contractor shall perform duplicate coverage validity checks for all Covered Persons based on the City's eligibility rules.
 - 4.1.6.1 An individual is not eligible to be covered as both an employee and a retiree, for the same benefit.
 - 4.1.6.2 An individual is not eligible to be covered as both an employee and retiree and as a dependent of an employee or retiree, for the same benefit.
 - 4.1.6.3 An individual is not eligible to be covered as a dependent of more than one employee or retiree for the same benefit.
- 4.1.7 Eligibility Age
 - 4.1.7.1 Dependents over age 26 - Contractor shall notify employees and retirees when their dependents are reaching age 26. Notification letters shall be sent to employee's and retiree's mailing address 60 days prior to the dependent reaching the age limit. On average, the City has 38 dependents that receive the monthly notification. Instructions on how to obtain an Application to Request Continuation of Coverage for a Disabled Dependent Child at Age 26 and Over form, if dependent is disabled, should be included. See Section 2.3, Exhibit 19.

4.2 Employee Eligibility – A bi-weekly Payroll File is sent to the eligibility vendor three days after the pay period ends. The City has a bi-weekly average of 50 new employees, 40 terminations, and 70 benefits enrollment changes. See Section 2.3, Exhibit 6.

- 4.2.1 The City keys each benefit by Employee Benefits Deduction Code into an employee's record and the Payroll file reports each benefits deduction code separately with applicable employee and employer amount for each employee. See Section 2.3, Exhibits 5 and 6.
- 4.2.2 Employees with Qualified Medical Child Support Orders (QMCSO)

SCOPE OF WORK – Version 1.1 Revised 032019

CITY OF AUSTIN PURCHASING OFFICE REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008 BENEFIT PLAN ADMINISTRATION SERVICES

- 4.2.2.1 The City will send Contractor a Dependent Addition and Change Form For Court-Mandated Health Coverage Form following notification from the Attorney General's Office. See Section 2.3, Exhibit 8.
 - 4.2.2.2 Contractor shall change the dependent's relationship status to QD for Qualified Dependent.
 - 4.2.2.3 Contractor shall change the relationship code on the 834 medical file and populate the dependent's name and the employee's address fields. The custodial parent's name and address fields shall be populated when received.
 - 4.2.2.4 Contractor shall key a separate address for dependent(s), if needed per QMCSO.
- 4.2.3 Contractor shall load information received from the City's Payroll File into the Contractor's eligibility file system. See Section 2.3, Exhibit 6.
- 4.2.4 Contractor shall comply with the City's Payroll File specifications to send and/or receive electronic transmission of payroll data on a bi-weekly basis. See Section 2.3, Exhibit 6.
- 4.2.5 Contractor shall key and track benefits for employees who have returned back to employment with the City and have benefits as both an employee and a retiree.
- 4.3 Retiree Eligibility – A monthly Retiree Enrollment Report is sent to the vendor the 25th of each month. The City has a monthly average of 30 new retirees and 65 benefits enrollment changes. Post 65 retirees are required to enroll in Medicare Parts A and B, if enrolled in a City medical plan. Medicare is the primary medical insurer. Benefit deductions are processed monthly through the Pension Systems.
 - 4.3.1 The City keys each benefit by benefits deduction code into a retiree's record and the monthly Retiree Enrollment Report reports each benefits deduction code separately with applicable retiree amount for each retiree. See Section 2.3, Exhibits 13 and 20B.
 - 4.3.2 Contractor shall key and track benefits and view history for retirees who have returned back to employment with the City and have benefits as both a retiree and employee.
- 4.4 Wellness Eligibility – A bi-weekly Wellness Eligibility File is sent to the City's wellness vendor.
 - 4.4.1 Contractor shall key and track benefits for employees, retirees, and dependents enrolled in the City's wellness programs. See Section 2.3, Exhibit 16.
 - 4.4.2 The bi-weekly file will consist of active employees. The department number will be included as part of the data capture.
 - 4.4.3 Contractor shall use the alternate field for the Social Security Number.
- 4.5 Self-Pay Administration Services – This includes benefit premium collections for retirees whose monthly retirement annuity is not sufficient to pay for benefits coverage selected. Self-Pay also includes benefit premium collections for surviving family members who elect to continue coverage after the on the job death of an employee. As of December 2018, there were 66 Self-Pay retirees enrolled in at least one benefit and 2 surviving family members.
 - 4.5.1 Administration Requirements – Contractor shall work with the City to develop financial reports that meet the City's requirements.
 - 4.5.2 Premiums
 - 4.5.2.1 Monthly premiums are due the first of the month.
 - 4.5.2.2 Contractor shall collect, and deposit payments received on a weekly basis to the City's ZBA.
 - 4.5.2.3 Contractor shall generate deposit records and weekly reports in accordance with the City's guidelines.
 - 4.5.3 Contractor shall have a process for resolving complaints/problems.
 - 4.5.4 Contractor shall provide Self-Pay Covered Persons payment coupon books.
 - 4.5.5 Contractor shall prepare and mail late payment letters on the 18th of the month to the retiree's mailing address.
 - 4.5.6 Contractor shall terminate benefits the 5th day of the following month due to non-payment.

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

4.6 Reporting

- 4.6.1 Eligibility Contractor shall provide an Employee, Retiree, and COBRA Enrollment Report by the 10th of each month in an electronic format to the City Contract Manager. See Section 2.3, 20A, 20B, and 20C.
- 4.6.2 Eligibility Contractor shall provide a monthly Age Limit Report listing all dependents who will be reaching age 26. Contractor shall send an electronic copy of the report in an Excel format to the City Contract Manager 60 days prior to dependent who will be reaching the age limit and must be separated by employee and retiree. See Section 2.3, Exhibit 20D.
- 4.6.3 Eligibility Contractor shall provide a monthly Age 65 Medicare Eligibility Report listing all retiree Covered Persons enrolled in medical coverage who will be reaching age 65. Report shall be sent to the City 90 days prior to the Covered Person reaching age 65. See Section 2.3, Exhibit 20E.
- 4.6.4 Eligibility Contractor shall provide a bi-weekly Duplicate Coverage Report. Contractor shall send an electronic copy of the report in an Excel format to the City Contract Manager. See Section 2.3, Exhibit 20F.

5.0 OPEN ENROLLMENT ADMINISTRATION

Background

The Open Enrollment process is a passive enrollment. The annual Open Enrollment begins mid-October and ends mid-November each plan year. During the 2018 - 2019 Open Enrollment employees participated in online enrollment 8,943 times, retirees 1,586 times, and surviving dependents 47 times. An individual may participate and make changes to their benefits as often as they deem necessary during Open Enrollment. Approximately 900 calls are received during Open Enrollment.

- 5.1 Contractor shall begin working with the City in January of 2020 for the Open Enrollment that will begin mid-October 2020.
- 5.2 Coverage Information Statement (Statement).
 - 5.2.1 Contractor shall produce an annual Statement for each employee, retiree and surviving dependent and suppress statements as determined by the City.
 - 5.2.2 Contractor shall customize the Statement per the City specifications to include at a minimum:
 - 5.2.2.1 Information about Open Enrollment.
 - 5.2.2.2 Name, mailing address, date of birth, and City assigned department, division and location code.
 - 5.2.2.3 Covered Persons current elections and dependent data with new premiums.
 - 5.2.3 Employee Statements
 - 5.2.3.1 Statements shall include calculated premiums for basic life, supplemental life, short term disability and long-term disability coverage using annual salary, age, and rates provided by the City. See Section 2.3 Exhibits 21J.
 - 5.2.3.2 Statements shall be printed, stuffed and sorted by department, division, location and in alphabetical order. Additional documents may be provided by the City.
 - 5.2.3.3 Statements shall be printed and delivered by the date determined by the City.
 - 5.2.3.4 Contractor shall provide electronic Statements to the City on flash drives or uploaded in a secured website for the City and each department to access. This includes one copy with all Statements and copies for each department. The City currently has 36 departments.
 - 5.2.4 Retiree and Surviving Dependent Statements
 - 5.2.4.1 Statements shall include retiree's mailing address and the City's return mailing address on back of Statements. See Section 2.3, Exhibit 21L.

SCOPE OF WORK – Version 1.1 Revised 032019

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

- 5.2.4.2 Statements shall be sorted by zip code and then in alphabetical order.
- 5.2.4.3 Statements shall be printed and delivered to the mail distribution vendor by the date determined by the City.
- 5.2.4.4 Contractor shall provide all electronic Statements to the City on flash drive or uploaded in a secured website for the City to access.
- 5.3 Open Enrollment Web-based Enrollment System.
 - 5.3.1 Contractor shall customize the website per the City's specifications.
 - 5.3.2 Contractor shall use the City's Employee and Retiree Benefits Deductions Codes for data management, maintenance of records, reconciliations, and reporting. See Section 2.3, Exhibits 5 and 13.
 - 5.3.3 City benefits staff must be able to test the website prior to the beginning of Open Enrollment.
 - 5.3.4 Website must be fully operational the first day of Open Enrollment and be available 24 hours a day, 7 days a week during Open Enrollment. City benefits staff should be able to utilize the system during and after Open Enrollment.
 - 5.3.5 Website must have a secure log in.
 - 5.3.5.1 Contractor shall assign administrative access for benefits staff to make benefit changes during Open Enrollment and after Open Enrollment ends to key late enrollment changes.
 - 5.3.5.2 Contractor shall use the City's Employee Identification Number (EIN) and a portion of the Social Security Number for log in access for employees.
 - 5.3.5.3 Contractor shall use a system generated Personal Identification Number (PIN) for log in access for retirees and a portion of the Social Security Number for log in access for retirees.
 - 5.3.6 Website must include personal information; list all benefits available, current benefits elected, Covered Persons for each benefit, and new premiums.
 - 5.3.7 Website shall have the capability to:
 - 5.3.7.1 Update personal information.
 - 5.3.7.2 Add or drop coverage for themselves or dependents for any benefit. System must validate eligibility for benefit elections (such as benefit category status, dependent age, marital and domestic partner status).
 - 5.3.7.3 Confirm and print confirmation of benefit elections.
 - 5.3.7.4 Include internet links to: presentation schedules, video presentations, coordinator list, benefit forms and documents, and links to interactive calculators for life insurance coverage options, disability insurance, and FLEXTRA accounts and other links determined by the City.
 - 5.3.7.5 Date/time stamp changes made by user.
 - 5.3.7.6 Upload dependent eligibility documentation.
 - 5.3.7.7 Provide participants the option to print or email a copy of the Confirmation Statement to their email address.
 - 5.3.8 Telephone Open Enrollment
 - 5.3.8.1 Contractor shall provide a toll-free telephone number for English and Spanish speaking participants.
 - 5.3.8.2 Contractor shall have the Telephone Open Enrollment available Monday through Friday, 8 a.m. to 5 p.m., Central Time, the date Open Enrollment begins and continues through date determined by the City.
 - 5.3.9 Confirmation Statement.
 - 5.3.9.1 Contractor shall provide a Confirmation Statement for employees, retirees, and surviving dependents participating in Open Enrollment and suppress statements as

SCOPE OF WORK – Version 1.1 Revised 032019

CITY OF AUSTIN PURCHASING OFFICE REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008 BENEFIT PLAN ADMINISTRATION SERVICES

- determined by the City. See Section 2.3 Exhibits 21K, 21M, and 21N. Confirmation Statement shall:
- 5.3.9.1.1 Include all information from the Coverage Information Statement.
 - 5.3.9.1.2 Include the date/time the change was made as well as the method (telephone or online).
 - 5.3.9.1.3 Be mailed within two (2) business days of the Contractor's receipt of enrollment or change information.
 - 5.3.9.1.4 Be mailed to mailing address each time a benefits change is made during Open Enrollment.
- 5.3.9.2 Contractor shall mail Passive Confirmation Statements to retirees **not** participating in Open Enrollment.
 - 5.3.9.3 Contractor shall provide all statements on a flash drive or uploaded in a secure website, separated by employees and retirees. Retiree statements must be separated by retirement system, self-pay, and surviving dependents.
- 5.3.10 Open Enrollment Files
- 5.3.10.1 Contractor shall send the Open Enrollment 834 file to the City's benefit vendors as determined by the City. The Open Enrollment 834 file transmission error reports must be reconciled and resolved with the City's benefit vendors within two days of receipt.
 - 5.3.10.2 Contractor shall send the Employee Open Enrollment file to the City's Payroll and Benefits department as determined by the City. The Contractor shall provide this in the layout determined by the City. See Section 2.3 Exhibit 7.
 - 5.3.10.3 Contractor shall send the Retiree Open Enrollment file to the City and to COAERS, FRS, and APRS. Retiree file must be separated by each retirement system, self-pay, and surviving dependents. Contractor shall provide this in the layout determined by the City. See Section 2.3, Exhibit 15.
- 5.3.11 Open Enrollment Reports
- 5.3.11.1 Contractor shall produce a daily Demographic Changes Report separated by employee, retiree and surviving dependents. See Section 2.3, Exhibit 21A.
 - 5.3.11.2 Contractor shall produce a weekly Online Participation Report listing benefit elections, date/time of change, user, separated by employees, retirees, and surviving dependents. See Section 2.3, Exhibit 21B.
 - 5.3.11.3 Contractor shall produce a Retiree Changes Report for Retiree Drug Subsidy (RDS) listing current year benefit elections compared to Open Enrollment medical benefit elections, within three weeks after Open Enrollment ends. Report must be separated by retirement system, self-pay, and surviving spouses. See Section 2.3, Exhibit 21C.
 - 5.3.11.4 Contractor shall produce a QMCSO Report listing employees who dropped their court ordered dependents during Open Enrollment within two weeks after Open Enrollment ends. See Section 2.3, Exhibit 21D.
 - 5.3.11.5 Contractor shall produce a Duplicate Coverage Report listing Covered Persons with duplicate coverage for any benefit, within two weeks after Open Enrollment ends. See Section 2.3, Exhibit 21E.
 - 5.3.11.6 Contractor shall produce a Plan Migration Report within two weeks after Open Enrollment ends. See Section 2.3, Exhibit 21F.
 - 5.3.11.7 Contractor shall produce a Dependent Verification Report listing newly enrolled dependents that did not upload dependent eligibility documentation. See Section 2.3, Exhibit 21G.

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

6.0 COBRA ADMINISTRATION

Background

COBRA Administration includes continuation of coverage for Covered Persons as mandated by Federal law. As of December 2018, there were 49 COBRA participants with 83 COBRA Covered Persons enrolled in at least one COBRA benefit. The current Contractor is paid per enrolled COBRA participant and per letter issued. Over the last year, the City had an average of 218 qualifying event letters produced monthly.

6.1 Administration Requirements

- 6.1.1 Contractor shall work with the City to develop financial reports that meet the City's requirements.
- 6.1.2 Contractor shall administer COBRA in accordance with federal regulations.
- 6.1.3 Contractor shall maintain eligibility and enrollment records/history for all Covered Persons.
- 6.1.4 Contractor shall send and/or receive enrollment information and updated eligibility records electronically on a bi-weekly basis to the City's benefit vendors.

6.2 Communications

- 6.2.1 Contractor shall send all required COBRA notices as mandated by federal regulation.
- 6.2.2 Contractor shall maintain electronic logs and letters for initial notices and qualifying event letters in a format specified by the City.
- 6.2.3 Contractor shall be liable for any damages incurred if the Contractor fails to notify a qualified beneficiary within the timelines required by federal regulations, provided the City has notified the Contractor as required.

6.3 Premiums

- 6.3.1 Contractor shall collect, and deposit premium payments received on a weekly basis.
- 6.3.2 Contractor shall generate deposit records and weekly reports in accordance with the City's guidelines.
- 6.3.3 Contractor shall pay premium payments collected to appropriate City benefit vendors in accordance with City guidelines.

6.4 Contractor shall have a process for resolving complaints/problems and a formal appeals process.

6.5 Contractor shall mail payment coupon books to Covered Persons.

6.6 Contractor shall mail guides and enrollment forms provided by the City.

6.7 Contractor shall prepare and mail late payment and termination of benefits letters.

6.8 Contractor shall terminate benefits coverage due to nonpayment as mandated by COBRA.

6.9 Contractor shall prepare and mail the annual Open Enrollment materials to Covered Persons as determined by the City.

6.10 Contractor shall provide electronic copies of completed enrollment forms as requested by the City.

7.0 CONTINUATION OF COVERAGE FOR DOMESTIC PARTNERS ADMINISTRATION (CCDP)

Background

CCDP is administered similar to COBRA coverage. As of December 2018, there was one CCDP participant enrolled in CCDP coverage. The current Contractor is paid per enrolled CCDP participant and per letter issued.

7.1 Administration Requirements

- 7.1.1 Contractor shall work with the City to develop financial reports that meet the City's requirements.
- 7.1.2 The City determines eligibility and the Contractor shall agree to abide by the City's policies and procedures regarding eligibility and coverage effective dates for CCDP.

SCOPE OF WORK – Version 1.1 Revised 032019

CITY OF AUSTIN PURCHASING OFFICE REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008 BENEFIT PLAN ADMINISTRATION SERVICES

- 7.1.3 Contractor shall maintain eligibility and enrollment records/history for all Covered Persons.
- 7.1.4 Contractor shall send and/or receive enrollment information and updated eligibility records electronically on a bi-weekly basis to the City's benefit vendors.
- 7.2 Communications
 - 7.2.1 Contractor shall send all letters as agreed to by the City to qualified beneficiaries.
 - 7.2.2 Contractor shall send CCDP notices within 14 days of receiving notification from the City or the City's eligibility vendor.
 - 7.2.3 Contractor shall maintain electronic logs and letters for initial notices and qualifying event letters in a format specified by the City.
- 7.3 Premiums
 - 7.3.1 Members enrolling in CCDP have 45 days from date of coverage election to pay the amount owed.
 - 7.3.2 Monthly premiums are due the first of the month.
 - 7.3.3 Contractor shall collect, and deposit premium payments received on a weekly basis.
 - 7.3.4 Contractor shall generate deposit records in accordance with the City's guidelines
 - 7.3.5 Contractor shall pay premium payments collected to appropriate City benefit vendors in accordance with City guidelines.
 - 7.3.6 Contractor shall terminate benefits the 30th day of the month due to non-payment.
- 7.4 Contractor shall have a process for resolving complaints/problems.
- 7.5 Contractor shall mail payment coupon books to Covered Persons.
- 7.6 Contractor shall mail guides and enrollment forms provided by the City.
- 7.7 Contractor shall prepare and mail late payment and termination of benefits letters.
- 7.8 Contractor shall prepare and mail the annual Open Enrollment materials to Domestic Partners.
- 7.9 Contractor shall provide electronic copies of completed enrollment forms as requested by the City.

8.0 SELF-FUNDED DENTAL PLAN CLAIMS ADMINISTRATION

Background

The Employee Dental Assistance Plan is based on a fixed fee Table of Allowances. This plan has no network. Employees may choose any dentist. The City is not considering a dental plan network. As of December 2018, there were 12,700 employees and 15,600 dependents enrolled in the Employee Dental Assistance Plan. Section 2.3, Exhibits 23A - C.

- 8.1 Administration Requirements
 - 8.1.1 Contractor shall work with the City to develop financial reports that meet the City's requirements.
 - 8.1.2 The City determines eligibility and Contractor shall agree to abide by the City's policies and procedures regarding eligibility and coverage effective dates for all Covered Persons. See Section 2.3, Exhibit 1.
 - 8.1.3 Contractor shall maintain eligibility and claims records/history for all Covered Persons.
 - 8.1.4 Contractor shall use dental deduction codes. See Section 2.3, Exhibit 5.
 - 8.1.5 Contractor's customer service line shall be fully operational January 1, 2020.
- 8.2 Employee Dental Assistance Plan Identification Cards (ID Cards):
 - 8.2.1 Contractor shall mail ID Cards to the Covered Persons' mailing address no later than ten business days from notice of eligibility.
 - 8.2.2 ID Cards that are generated for Open Enrollment must be received by Covered Persons on or before December 31st of each plan year.
- 8.3 Claims Administration.

SCOPE OF WORK – Version 1.1 Revised 032019

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

- 8.3.1 Contractor's system must receive and adjudicate dental claims electronically in accordance with the Employee Dental Assistance Plan Document.
- 8.3.2 Contractor shall issue an electronic or paper Explanation of Benefits (EOB).
- 8.3.3 Contractor shall provide recovery services for overpayments and subrogation. The Contractor agrees to reimburse City for overpayments when identified, not when collected.
- 8.3.4 Contractor shall provide dental claims run-out administration for claims incurred 12 months prior to the termination date of the contract. All fees must be quoted on a mature basis.
- 8.3.5 Contractor shall provide internal financial safeguards to prevent employee fraud.
- 8.3.6 Contractor shall administer Coordination of Benefits.
- 8.3.7 Contractor shall have a process for resolving complaints/problems and a formal appeals process.
- 8.3.8 Contractor shall work with current vendor to receive historical claims data transfers to include: lifetime orthodontia accumulators or any codes that have a 5-year limitation of coverage such as dentures, bridges, crowns, or orthodontia appliances.
- 8.4 Table of Allowances
 - 8.4.1 Contractor shall provide the City, on an annual basis, new, updated and deleted American Dental Association (ADA) codes with applicable allowances.
 - 8.4.2 Contractor's system shall allow the Table of Allowances to be customizable.
- 8.5 Claims Filing
 - 8.5.1 Contractor shall verify eligibility for Covered Persons.
 - 8.5.2 Contractor shall process claims according to the City's Dental Assistance Plan Document. See Section 2.3, Exhibit 22.
 - 8.5.3 Contractor shall reimburse Orthodontia Care only if the member's treatment plan began after being covered under the Plan. Orthodontia Care expenses are paid only as the work progresses and receipts are submitted for reimbursement.
 - 8.5.4 Contractor shall provide dental claim forms for employees to file for reimbursement on dental services via paper form and have available to access on Contractor's website.
 - 8.5.5 Contractor shall process claims within 7-10 days of receipt of a complete claim.
- 8.6 Contractor shall provide Certificates of Creditable Coverage upon request for all Covered Persons whose coverage under the City sponsored dental plan ends. Contractor shall keep electronic files of all HIPAA Certificates of Creditable Coverage issued and make available upon request by the City.
- 8.7 Reporting
 - 8.7.1 Contractor shall provide quarterly and annual utilization reports and must have the capability to generate ad hoc reports to the City. Reports must break out utilization by employees, COBRA participants, CCDP participants, dependents and total utilization by type of service. Reports are due by the 30th day of the end of each period for which the data is reported. Contractor shall also have the capability to capture, analyze and report the data by each City department.
- 8.8 Fiduciary Responsibility
 - 8.8.1 Contractor shall be the named fiduciary with respect to:
 - 8.8.1.1 Performing premium payment processing.
 - 8.8.1.2 Performing fair and impartial review of initial appeals.
 - 8.8.1.3 Performing fair and impartial review of final appeals.
 - 8.8.1.4 Construe and interpret the terms of the Plan.
 - 8.8.1.5 Determine the validity of charges submitted under the Plan.
 - 8.8.1.6 Make final, binding determinations concerning the availability of Plan benefits.

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

9.0 FLEXTRA ADMINISTRATION

Background

FHC and FDC programs are available to employees in accordance with IRS Section 125 regulations. Covered Persons may use the 2 ½ month carryover (March 15th) allowing participants to incur eligible expenses for the previous plan year. Prior year claims must be submitted by May 31st. FHC and FDC maximums will be based on IRS limits determined every year. Claim reimbursements are issued weekly on Friday for claims received by Wednesday. Reimbursements are made by check or direct deposit (ACH) according to the employee's preference. As of December 2018, there were 3,323 employees enrolled in the FHC program and 339 employees enrolled in the FDC program.

FHC and FDC balances for 2016 and 2017

		Annual Election	Payroll Posted	Claimed	Paid	Forfeiture Balance
2016	FHC	\$4,752,782.09	\$4,622,219.30	\$4,782,152.65	\$4,492,246.16	\$129,973.14
2016	FDC	\$1,091,412.80	\$1,064,544.03	\$1,505,045.34	\$1,050,257.85	\$14,286.18
2017	FHC	\$4,731,563.83	\$4,562,189.29	\$4,710,394.68	\$4,426,749.43	\$135,439.86
2017	FDC	\$1,191,263.94	\$1,163,155.04	\$1,618,867.01	\$1,132,681.22	\$30,473.82

9.1 Administration Requirements

- 9.1.1 Contractor shall work with the City to develop financial reports that meet the City's requirements.
- 9.1.2 The City determines eligibility and the Contractor shall agree to abide by the City's policies and procedures regarding eligibility and coverage effective dates for all Covered Persons. See Section 2.3, Exhibit 1.
- 9.1.3 Contractor shall maintain eligibility and claims records/history for all Covered Persons.
- 9.1.4 Contractor shall use FHC and FDC deduction codes. See Section 2.3, Exhibit 5.
- 9.1.5 The City may consider moving to the IRS Rollover FHC Program.

9.2 Contractor's system shall:

- 9.2.1 Track FHC and FDC amounts per pay period and annual elections.
- 9.2.2 Process claims for FHC and FDC accounts in accordance with the City's plan documents and federal law and regulations. See Section 2.3, Exhibit 18.
- 9.2.3 Process claims and payments weekly.
- 9.2.4 Process manual FHC and FDC claims incurred in the carryover periods as allowed by IRS regulations.
- 9.2.5 Provide printed account balance statements to employees at a minimum of four times per year as designated by the City. Statements must be mailed to employee's mailing address.
- 9.2.6 Provide FHC and FDC account claims run-out services for up to six months after the termination of the contract for claims incurred for the prior year account balance. All fees must be quoted on a mature basis.

9.3 Contractor shall have a process for resolving complaints/problems and a formal appeals process.

9.4 Contractor shall generate monthly deposit records and reconcile the accounts in accordance with the City's guidelines.

9.5 Contractor shall provide employees enrolled in the FHC program a debit/credit card (Card).

- 9.5.1 Contractor shall load the Card with the employee's annual elected amount and if applicable, previous year carry over amount.
- 9.5.2 Contractor shall mail the Card to Covered Persons' mailing address no later than ten business days from notice of eligibility.

SCOPE OF WORK – Version 1.1 Revised 032019

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

- 9.5.3 Employees who enroll for the first time or add dependents to the FHC programs during Open Enrollment must receive the Card on or before December 31st of each year.
- 9.6 Contractor shall provide a website for Covered Persons to view their FHC and FDC claims status and account balance.
- 9.7 Contractor shall provide the capability for employees to upload claims with proper documentation online.
- 9.8 Contractor shall provide FHC and FDC paper claim forms for employees to submit claims with proper documentation for reimbursement.
- 9.9 Contractor shall allow participants with an FHC balance after December 31st, a carryover period through March 15th of the next year to incur eligible expenses and submit prior year claims for reimbursement by May 31st.
- 9.10 Contractor shall return money not claimed by the deadlines to the City.
- 9.11 Contractor shall not allow participants enrolling into the HSA during Open Enrollment with an FHC balance, a carryover period. Eligible expenses must be incurred by December 31st and prior year claims submitted for reimbursement by May 31st. Money for eligible expenses not incurred/claimed by the deadlines will be forfeited. CDHP w/HSA participants are not eligible to enroll in FHC.
 - 9.11.1 Contractor shall provide an FHC Balance Report for CDHP Participants using the CDHP Participants Report provided by eligibility vendor. Section 2.3, Exhibits 21H and 21I.

10.0 CHILD CARE ASSISTANCE PROGRAM ADMINISTRATION (CAP)

Background

Employees that meet eligibility requirements qualify for child care financial assistance. Claims are processed for payments to state regulated child care providers up to the allowed weekly amount per child, not to exceed the maximum annual amount as determined by the City.

The City allows employees to enroll throughout the year and recertifies all participants on an annual basis during November and December.

Employees who are approved for CAP can also participate in the FDC program. However, the combined annual amounts for the two programs cannot exceed the annual FDC amount allowed by IRS regulations.

As of December 2018, there were 100 employees with 200 dependents approved for the CAP program.

10.1 Administration Requirements

- 10.1.1 Contractor shall work with the City to develop financial reports that meet the City's requirements.
- 10.1.2 Contractor shall maintain eligibility and claims records/history for each program participant included on the approved eligibility list provided by the City.
- 10.1.3 Contractor shall be able to accept the City's Child Care Assistance Program forms. See Section 2.3, Exhibits 9 and 10.
- 10.1.4 Contractor shall key, track, and have reporting capabilities for all information received from the City's benefits staff and enrollment forms. See Section 2.3, Exhibits 9 and 10.

10.2 Claims

- 10.2.1 Contractor shall process claims for CAP in accordance with the City's plan.
- 10.2.2 Contractor shall process claims and payments twice a month.
- 10.2.3 Contractor shall provide payments to child care providers up to the amount allowed per child.
- 10.2.4 Contractor shall accept the City of Austin Child Care Assistance Program 2019 Disbursement Request form from employees or child care providers. See Section 2.3, Exhibit 10.

SCOPE OF WORK – Version 1.1 Revised 032019

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

10.3 Reporting

- 10.3.1 Contractor shall work with the eligibility vendor to compare the employee's FDC annual election and the annual CAP approved amount to ensure the combined annual total does not exceed the FDC maximum allowed by IRS regulations as determined by the City.

11.0 PROCUREMENT CANCELLATION

- 11.1 The City has the right to cancel this solicitation at any time.

Section 0600 Proposal Preparation Instructions and Evaluation Factors

CITY OF AUSTIN PURCHASING OFFICE REQUEST FOR PROPOSAL NO. RFQ 5800 LNH3008 BENEFIT PLAN ADMINISTRATION SERVICES

1. SPECIAL INSTRUCTIONS and PROPOSAL FORMAT

Special Instructions:

Offerors may submit a Proposal Response for any or all of the following:

- Eligibility and Self-Pay Program Administrations (Section 4 of the 0500)
- Open Enrollment Administration (Section 5 of the 0500)
- COBRA Administration (Section 6 of the 0500)
- Continuation of Coverage for Domestic Partners Administration (CCDP) (Section 7 of the 0500)
- Self-Funded Dental Plan Claims Administration (Section 8 of the 0500)
- Flexible Spending Account Administration (FLEXTRA) (Section 9 of the 0500)
- Child Care Assistance Program Administration (CAP) (Section 10 of the 0500).

The City reserves the right to award to more than one Contractor. The City will accept responses from qualified firms, agents and brokers. Firms are not required to have a broker represent them; the City will Contract directly with the firm, not the agent/broker. However, if the City receives **more than one** response from any given firm, all responses from that firm will be rejected and the Contractor will be deemed non-responsive. No commissions or fees shall be paid to agents and brokers by the City.

Offerors are expected to closely read this Request for Proposal (RFP) and provide complete responses to each section along with a binding signature of intent to comply with the terms and conditions outlined herein. Offerors should review each section carefully as their response will become part of the final Contract. Rejection of or requesting exceptions to the provisions outlined in this RFP may be cause for rejection of an Offeror's response.

Proposal Format:

Offerors shall submit one paper original of the Proposal response, one paper copy, and one (1) electronic copy in PDF format on a flash drive. The original Proposal response shall be typed on standard (8.5 X 11 inch) paper and shall have consecutively numbered pages. The original copy shall be bound or in a 3-ring binder, shall be clearly labeled as "**ORIGINAL**" and shall include the original signature of the person authorized to sign on behalf of the Offeror.

Response must be organized in the following format and information sequence. Use tabs to divide each part of your response and include a Table of Contents. Offerors shall provide all details in the response as required in Section 0500 Scope of Work and any additional information deemed necessary to evaluate the response.

Note: Attachment 3 is no longer required as a part of this RFP.

Tab 1 - Executive Summary

Provide an Executive Summary of three (3) pages or less, which provides a summation of the response.

The Executive Summary shall include:

1. Organization chart of the team servicing this Contract, including contact information;
2. Years in business;
3. Summary of your company's history and experience;
4. Number of public sector clients;
5. Number of large employer groups (over 5,000 employees);

Section 0600 Proposal Preparation Instructions and Evaluation Factors

CITY OF AUSTIN PURCHASING OFFICE REQUEST FOR PROPOSAL NO. RFQ 5800 LNH3008 BENEFIT PLAN ADMINISTRATION SERVICES

6. Ability to perform long term;
7. Frequency, quality, and subject matter of professional publications;
8. Your organization's ability to exceed the performance of other vendors in relation to:
 - Cost
 - Financial Strength
 - Customer Service
9. The Executive Summary shall also address your organization's commitment to serving the City of Austin's needs relative to the needs of your other clients/customers.

Tab 2 - City of Austin Purchasing Documents

Complete and submit the following documents as part of the Proposal:

1. Completed and signed Offer Sheet
2. Signed Addendums (all pages)
3. Completed Section 0605: Local Business Presence Identification. *If you will be utilizing Subcontractors, include the Subcontractor's information on this form.*
4. Completed and signed Section 0640: HIPAA Business Associate Agreement
5. Completed and signed Section 0800 Non-Discrimination and Non-Retaliation Certification
6. Completed and signed Section 0815 Living Wages Contractor Certification
7. Completed Section 0835 Non-Resident Bidder Provisions
8. Completed and signed Section 0900 Subcontracting/Subconsulting Utilization Form
9. Completed Section 0905: Subcontracting/Sub-Consulting Utilization Plan, if applicable
If you will be utilizing Subcontractors, you must contact the Small and Minority Business Resources Department (SMBR) at (512) 974-7600 to obtain a list of MBE and WBE firms available to perform the service and include the completed Section 0900, MBE/WBE No Goals Form with your Proposal packet. Include the Section 0900, MBE/WBE No Goals Form in Tab 2 of your Proposal along with all the required SMBR documentation and Good Faith Efforts.

Tab 3 – Business Organization

Provide the following:

1. Full name and address of your company and identify parent company if you are a subsidiary. Indicate whether you operate as a partnership, corporation, or individual. Include the State(s) in which incorporated or licensed to operate. State how long your company has been in business.
2. Authorized Negotiator: Include name, address, and telephone number of person in your organization authorized to negotiate Contract terms and render binding decisions on Contract matters. The City prefers this representative to be the CEO, COO, Executive Officer, Underwriter or Legal Counsel.
3. Describe your company's organizational capacity to fulfill the requirements contained within the Section 0500 Scope of Work and Section 0400 Supplemental Purchasing Provisions. Include your company's mission,

Section 0600 Proposal Preparation Instructions and Evaluation Factors

CITY OF AUSTIN PURCHASING OFFICE REQUEST FOR PROPOSAL NO. RFQ 5800 LNH3008 BENEFIT PLAN ADMINISTRATION SERVICES

financial resources, organizational stability, dedicated resources, industrial knowledge, and unique knowledge, skills, and abilities.

4. Provide your company's organizational structure. Provide an organizational chart which identifies leadership and reporting responsibilities, and which describes how your team will interface with the City's Contract Manager. If partnerships/subcontractors are proposed, identify their placement in the organizational structure and provide internal management description for each subcontractor.
5. A diagram illustrating the legal relationship between all of the organizations involved in your proposed solution. Provide at a minimum, the name of the organization, legal relationship, and length of the relationship.
6. A statement on company letterhead that your company is in good standing with all relevant licensing and regulatory agencies with no unresolved complaints, history of suspension, fines or other disciplinary actions, and has continuously maintained your license for the past five years. If the Offeror is a partnership/joint venture, this information shall be submitted for each partner.
7. A copy of any applicable State of Texas licenses.
8. Copies of accreditation certificates-National Committee for Quality Assurance (NCQA), Joint Commission on Accreditation of Healthcare Organizations (JCAHO), Utilization Review Accreditation Commission (URAC).
9. Completed **Attachment 1: Business Organization Questionnaire**.
10. Your company's financial information in a **separate sealed envelope in the same package as your original copy of your Proposal**. Demonstrate your company's financial strength and resources to fully execute the work. Financial Capacity will be scored on a pass/fail criterion rather than points. If your company fails the Financial Capacity criteria, the City may not evaluate or consider your company's Proposal. Specifically include:
 - a. Your company's most recent annual financial statement, a copy of its Articles of Incorporation, Partnership By-Laws and if not a Texas Company, and a Certificate of the Secretary of State of Texas showing that your company is authorized to do business in Texas.
 - b. If your company is an affiliate of another entity, and audited financial statements are prepared only on a consolidated basis, then your company shall enclose a copy of the most recent consolidated audited financial statements.
 - c. If your company's Proposal includes interim or permanent third-party financing, then detailed information concerning the amount and source of such financing shall be included in the Proposal. Your company shall promptly provide upon request any additional financial information as requested by the City.
 - d. A summation of all Limited Liability Corporations (LLCs) under your corporate umbrella.
 - e. Financial statements for your parent company (if applicable).
 - f. Adverse actions taken by funding sources.
10. Financial statements shall include balance sheets and income statements for each of the past three (3) years.

Tab 4 – Experience and Qualifications

Provide the following:

1. Your company's relevant experience, qualifications, and expertise providing services described in the Scope of Work. If partnerships/subcontractors are proposed, describe your company's experience in managing these relationships. Letters of Recommendation that your company has received may be included.

Section 0600 Proposal Preparation Instructions and Evaluation Factors

CITY OF AUSTIN PURCHASING OFFICE REQUEST FOR PROPOSAL NO. RFQ 5800 LNH3008 BENEFIT PLAN ADMINISTRATION SERVICES

2. Completed **Attachment 2: References Questionnaire.**
3. Reference information for those clients listed in Attachment 2 – References Questionnaire. All reference information must be supported and verified. Reference contacts must be aware that they are being used and should be agreeable to City interview for follow-up. References shall include the following:
 - Agency
 - Number of employees
 - Year contract was awarded and length of contract
 - Agency contract manager
 - Title Direct telephone number
 - Email address
4. Identify key person names, titles, and qualifications of all employees (including the Single Point of Contact) who will be actively engaged in this project and provide resumes for all employees that will perform work under the resulting Contract (limit 2 pages per person). Do not include the experience of employees who will not actively participate. All employees shall have a minimum of five (5) years of relevant experience. Include the following for each key person:
 - Agency
 - Number of employees
 - List the number of clients for which each is responsible
 - Indicate percentage of time each will be allocated to the City of Austin Office location
5. A statement of your compliance with all applicable rules and regulations of Federal, State and Local governing entities. The Offeror shall state his compliance with terms of this Request for Proposal (RFP).

Tab 5 - General Requirements for All Requested Services:

All requirements included in this solicitation must be included in the quoted fee to the City unless otherwise notated, and must be inclusive of labor, materials, supplies, printing, travel, and all costs and fees including administrative burden for providing these services.

The City has the option to non-renew contracted services on an annual basis. Contractor's notice of non-renewal shall be sent via email to the City Contract Manager by March 15th for the following contract period.

Fees shall be firm regardless of enrollment and the Contractor receiving any or all services.

Place the following in Tab 5 of your Proposal response.

Part A: Complete and submit **Section 0610 Price Sheet.**

Part B: Restate and confirm acceptance of each requirement in Section 3.0 of the 0500 Scope of Work.

Tab 6 - Eligibility and Self-Pay Administrations:

Place the following in Tab 6 of your Proposal response. If not proposing on these services, state "Not Proposing".

All requirements in this section must be included in the proposed base fee.

Refer to Exhibits in Section 2.3 of the 0500 Scope of Work when completing the Attachments listed below.

Part A: Restate and confirm acceptance of each requirement in Section 4.0 of the 0500 Scope of Work.

Part B: Complete and submit the following Attachments:

Section 0600 Proposal Preparation Instructions and Evaluation Factors

CITY OF AUSTIN PURCHASING OFFICE REQUEST FOR PROPOSAL NO. RFQ 5800 LNH3008 BENEFIT PLAN ADMINISTRATION SERVICES

- Attachment 1 - Business Organization Questionnaire
- Attachment 2 – References Questionnaire
- Attachment 4 - Customer Service Questionnaire
- Attachment 5 - Account Team Information
- Attachment 6 - System Capabilities Questionnaire
- Attachment 9a - Performance Measures – Eligibility and Self-Pay Administration

Tab 7 - Open Enrollment Administration:

Place the following in Tab 7 of your Proposal response. If not proposing on these services, state “Not Proposing”.

All requirements in this section must be included in the proposed base fee.

Refer to Exhibits in Section 2.3 of the 0500 Scope of Work when completing the Attachments listed below.

Part A: Restate and confirm acceptance of each requirement in Section 5.0 of the 0500 Scope of Work.

Part B: Complete and submit the following Attachments:

- Attachment 1 - Business Organization Questionnaire
- Attachment 2 - References Questionnaire
- Attachment 4 - Customer Service Questionnaire
- Attachment 5 - Account Team Information
- Attachment 6 - System Capabilities Questionnaire
- Attachment 9b - Performance Measures – Open Enrollment Administration

Tab 8 – Consolidated Omnibus Budget Reconciliation Act (COBRA) Administration:

Place the following in Tab 8 of your Proposal response. If not proposing on these services, state “Not Proposing”.

All requirements in this section must be included in the proposed base fee.

Refer to Exhibits in Section 2.3 of the 0500 Scope of Work when completing the Attachments listed below.

Part A: Restate and confirm acceptance of each requirement in Section 6.0 of the 0500 Scope of Work.

Part B: Complete and submit the following Attachments:

- Attachment 1 - Business Organization Questionnaire
- Attachment 2 - References Questionnaire
- Attachment 4 - Customer Service Questionnaire
- Attachment 5 - Account Team Information
- Attachment 6 - System Capabilities Questionnaire
- Attachment 10a - Performance Measures – COBRA Administration

Tab 9 - Continuation of Coverage for Domestic Partners Administration (CCDP):

Place the following in Tab 9 of your Proposal response. If not proposing on these services, state “Not Proposing”.

All requirements in this section must be included in the proposed base fee.

Refer to Exhibits in Section 2.3 of the 0500 Scope of Work when filling in the Attachments listed below.

Part A: Restate and confirm acceptance of each requirement in Section 7.0 of the 0500 Scope of Work

Part B: Complete and submit the following Attachments:

- Attachment 1 - Business Organization Questionnaire

Section 0600 Proposal Preparation Instructions and Evaluation Factors

CITY OF AUSTIN PURCHASING OFFICE REQUEST FOR PROPOSAL NO. RFQ 5800 LNH3008 BENEFIT PLAN ADMINISTRATION SERVICES

- Attachment 2 - References Questionnaire
- Attachment 4 - Customer Service Questionnaire
- Attachment 5 - Account Team Information
- Attachment 6 - System Capabilities Questionnaire
- Attachment 10b Performance Measures – Continuation of Coverage for Domestic Partners Administration (CCDP)

Tab 10 - Self-Funded Dental Plan Claims Administration:

Place the following in Tab 10 of your Proposal response. If not proposing on these services, state “Not Proposing”.

All requirements in this section must be included in the proposed base fee.

Refer to Exhibits in Section 2.3 of the 0500 Scope of Work when completing the Attachments listed below.

Part A: Restate and confirm acceptance of each requirement in Section 8.0 of the 0500 Scope of Work

Part B: Complete and submit the following Attachments:

- Attachment 1 - Business Organization Questionnaire
- Attachment 2 - References Questionnaire
- Attachment 4 - Customer Service Questionnaire
- Attachment 5 - Account Team Information
- Attachment 6 - System Capabilities Questionnaire
- Attachment 7 - Self-Funded Dental Claims Administration Questionnaire
- Attachment 11 - Performance Measures Self-Funded Dental Plan Claims Administration

Tab 11 – Flexible Spending Account Administration (FLEXTRA):

Place the following in Tab 11 of your Proposal response. If not proposing on these services, state “Not Proposing”.

All requirements in this section must be included in the proposed base fee.

Refer to Exhibits in Section 2.3 of the 0500 Scope of Work when completing the Attachments listed below.

Part A: Restate and confirm acceptance of each requirement in Section 9.0 of the 0500 Scope of Work

Part B: Complete and submit the following Attachments:

- Attachment 1 - Business Organization Questionnaire
- Attachment 2 - References Questionnaire
- Attachment 4 - Customer Service Questionnaire
- Attachment 5 - Account Team Information
- Attachment 6 - System Capabilities Questionnaire
- Attachment 8 - Flexible Spending Account Administration (FLEXTRA) Questionnaire
- Attachment 12 - Performance Measures – Flexible Spending Account Administration (FLEXTRA)

Tab 12 – Child Care Assistance Program Administration (CAP):

Place the following in Tab 12 of your Proposal response. If not proposing on these services, state “Not Proposing”.

All requirements in this section must be included in the proposed base fee.

Refer to Exhibits in Section 2.3 of the 0500 Scope of Work when completing the Attachments listed below.

Part A: Restate and confirm acceptance of each requirement in Section 10.0 of the 0500 Scope of Work.

Part B: Complete and submit the following Attachments:

Section 0600 Proposal Preparation Instructions and Evaluation Factors

CITY OF AUSTIN PURCHASING OFFICE REQUEST FOR PROPOSAL NO. RFQ 5800 LNH3008 BENEFIT PLAN ADMINISTRATION SERVICES

- Attachment 1 - Business Organization Questionnaire
- Attachment 2 - References Questionnaire
- Attachment 4 - Customer Service Questionnaire
- Attachment 5 - Account Team Information
- Attachment 6 - System Capabilities Questionnaire
- Attachment 13 - Performance Measures Child Care Assistance Program Administration (CAP)

Tab 13 – Exceptions:

Detail any business exceptions that you will require in **Section 0630 – Exceptions** and place in Tab 13. Follow the instructions on the form regarding identification and justification of your exceptions. Be advised that exceptions to any portion of the Solicitation may jeopardize acceptance of your Proposal. Make copies of the form as needed.

Tab 14 - Service-Disabled Veteran Business Enterprise (“SDVBE”):

Pursuant to the interim Service-Disabled Veteran Business Enterprise (SDVBE) Program, Offerors submitting proposals in response to a Request for Proposals shall receive a three-point (3 percent) preference if the Offeror, at the same time the proposal is submitted, is certified by the State of Texas, Comptroller of Public Accounts as a Historically Underutilized Business and is a Service-Disabled Veteran Business Enterprise. This preference does not apply to subcontractors. To receive this preference, Offerors shall complete and submit the enclosed **Section 0840 Service-Disabled Veterans Business Enterprise** Preference Form, in accordance with the Additional Solicitation Instructions included therein.

2. ACCEPTANCE PERIOD:

All responses are valid for a period of one hundred and eighty (180) calendar days subsequent to the RFP closing date unless a longer acceptance period is offered in the response.

3. PROPRIETARY OR CONFIDENTIAL INFORMATION:

All material submitted to the City becomes public property and is subject to the Texas Open Records Act upon receipt. If an Offeror does not desire proprietary or confidential information in the submission to be disclosed, each page must be identified and marked proprietary or confidential at time of submittal. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decision as to what information must be disclosed lies with the Texas Attorney General. Failure to identify proprietary or confidential information will result in all unmarked sections being deemed non-proprietary and available upon public request.

4. PREPARATION COSTS:

All costs directly or indirectly related to preparation of a response to the RFP or any oral presentation required to supplement and/or clarify a proposal response which may be required by the City shall be the sole responsibility of the Offeror.

5. EVALUATION FACTORS AND AWARD:

The following factors will be used to evaluate the Proposal Responses.

- A. **Competitive Selection:** This procurement will comply with applicable City of Austin Policy. The City, on a rational basis, will select the successful Offeror. Evaluation factors outlined in Paragraph B below shall be applied to all eligible, responsive Offerors in comparing responses and selecting the successful Offeror. Award of a contract may be made without discussion with Offerors after submissions are received. Responses should, therefore, be submitted on the most favorable terms.

Section 0600 Proposal Preparation Instructions and Evaluation Factors

CITY OF AUSTIN PURCHASING OFFICE REQUEST FOR PROPOSAL NO. RFQ 5800 LNH3008 BENEFIT PLAN ADMINISTRATION SERVICES

B. Evaluation Factors: All responses will be evaluated based on the following criteria and rankings.

Maximum 100 points.

1. Business Organization and Experience & Qualifications, reference Tabs 3 and 4 **(maximum 10 points)**
2. Scope of Work, RFP requirements, Section 0300 Standard Purchase Terms and Conditions and Section 0400 Supplemental Purchase Provisions **(maximum 42 points)**
3. Price Proposal, reference Tab 5 **(maximum 30 points)**
4. Performance Measures and Exceptions, reference Tabs 6 through 13 **(maximum 5 points)**
5. Service-Disabled Veteran Business Enterprise Preference, reference Tab 14 **(maximum 3 points)**
6. Local Business Presence, Section 0605 Local Business Presence Identification Form, reference Tab 2 **(maximum 10 points)**

The City seeks opportunities for businesses in the Austin Corporate City Limits to participate on City contracts. A firm (Offeror or Subcontractor) is considered to have a Local Business Presence if the firm is headquartered in the Austin Corporate City Limits, or has a branch office located in the Austin Corporate City Limits in operation for the last five (5) years, currently employs residents of the City of Austin, Texas, and will use employees that reside in the City of Austin, Texas, to support this contract. The City defines headquarters as the administrative center where most of the important functions and full responsibility for managing and coordinating the business activities of the firm are located. The City defines branch office as a smaller, remotely located office that is separate from a firm's headquarters that offers the services requested and required under this solicitation. Points will be awarded through a combination of the Offeror's Local Business Presence and/or the Local Business Presence of their subcontractors. Evaluation of the Team's Percentage of Local Business Presence will be based on the dollar amount of work as reflected in the Offeror's MBE/WBE Compliance Plan or MBE/WBE Utilization Plan. Specify if and by which definition the Offeror or Subcontractor(s) have a local business presence.

Team's Local Business Presence	Points Awarded
Local business presence of 90% to 100%	10
Local business presence of 75% to 89%	8
Local business presence of 50% to 74%	6
Local business presence of 25% to 49%	4
Local presence of between 1 and 24%	2
No local presence	0

The City will score responses on the basis of the criteria listed above. The City may select a "short list" of Offerors based on those scores. "Short-listed" Offerors may be invited for presentations or demonstrations with the City. The City reserves the right to re-score "short-listed" proposals as a result, and to make award recommendations on that basis.

REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES

Section 0610 - Price Sheet

Section 0610 - Price Sheet												
CATEGORY OF SERVICE	# of PART.	2020		2021		2022		2023		2024		Total Contract
		MONTHLY RATE	Annual TOTAL	MONTHLY RATE	Annual TOTAL	MONTHLY RATE	Annual TOTAL	MONTHLY RATE	Annual TOTAL	MONTHLY RATE	Annual TOTAL	
4.0 Eligibility and Self-Pay Administration												
Employees	13260	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Retirees	5784	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Wellness (fixed monthly fee)	XXXX		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
Self-Pay	68	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
5.0 Open Enrollment Administration												
Open Enrollment Administration (fixed annual fee)	XXXX	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
6.0 COBRA Administration												
COBRA Administration	83	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Event Letters	218	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
7.0 Continuation of Coverage for Domestic Partners Administration (CCDP)												
CCDP Administration	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Event Letters	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
8.0 Self-Funded Dental Claims Administration												
Total	12700	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9.0 Flexible Spending Account Administration (FLEXTRA)												
FHC Administration	3323	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FHC Debit Card	3323	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FDC Claims	339	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
10.0 Child Care Assistance Program (CAP)												
Total	100	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Contract Amount			\$0	\$0	\$0	\$0	\$0	\$0	\$0			

- Requirements:
- a. Rates are calculated on a per employee per month (pepm) except for Wellness and Open Enrollment Administration.
 - b. Contractor shall provide either fee gurantees or fee caps (fees with a maximum percentage increase) for each extension option.
 - c. Contractor shall guarantee fees regardless of enrollment per plan year.
 - d. All required services included in this solicitation must be inlcuded in the quoted fee to the City unless otherwise noted and must be inclusive of labor, materials, supplies, printing, travel, and all costs and fees including administrative burden.
 - e. All fees must be firm regardless of the contractor receiving any or all services.

Corporate Name of Proposer

Date

Section 0605: Local Business Presence Identification

A firm (Offeror or Subcontractor) is considered to have a Local Business Presence if the firm is headquartered in the Austin Corporate City Limits, or has a branch office located in the Austin Corporate City Limits in operation for the last five (5) years, currently employs residents of the City of Austin, Texas, and will use employees that reside in the City of Austin, Texas, to support this Contract. The City defines headquarters as the administrative center where most of the important functions and full responsibility for managing and coordinating the business activities of the firm are located. The City defines branch office as a smaller, remotely located office that is separate from a firm's headquarters that offers the services requested and required under this solicitation.

OFFEROR MUST SUBMIT THE FOLLOWING INFORMATION FOR EACH LOCAL BUSINESS (INCLUDING THE OFFEROR, IF APPLICABLE) TO BE CONSIDERED FOR LOCAL PRESENCE.

NOTE: ALL FIRMS MUST BE IDENTIFIED ON THE MBE/WBE COMPLIANCE PLAN OR NO GOALS UTILIZATION PLAN (REFERENCE SECTION 0900).

USE ADDITIONAL PAGES AS NECESSARY

OFFEROR:

Name of Local Firm	Total Administrative Services Corporation (TASC)	
Physical Address	2302 International Lane, Madison, WI 53704-3140	
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	<input checked="" type="radio"/> No
or		
Has your branch office been located in the Corporate City Limits for the last 5 years?	Yes	No
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	<input checked="" type="radio"/> No

SUBCONTRACTOR(S):

Name of Local Firm	Not Applicable	
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
or		
Has your branch office been located in the Corporate City Limits for the last 5 years	Yes	No

Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

SUBCONTRACTOR(S):

Name of Local Firm	Not Applicable	
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
or		
Has your branch office been located in the Corporate City Limits for the last 5 years	Yes	No
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

Section 0640 - HIPAA BUSINESS ASSOCIATE AGREEMENT

CITY OF AUSTIN PURCHASING OFFICE REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008 BENEFIT PLAN ADMINISTRATION SERVICES

The City of Austin ("City") and Total Administrative Services Corporation (TASC) ("Contractor") hereby agree that the following terms and conditions are made a part of the Agreement, to go into effect on January 1, 2020 (such contract and this Exhibit are collectively referred to herein as "Contract"), for all purposes. The parties acknowledge that this **Section 0640** is required by the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

The parties acknowledge and agree that Contractor, in performing its duties under the Contract, will receive individually identifiable protected health information as defined in Section 14 below (referred to as "Protected Health Information" or "PHI"), from City and from City's contractors or enrollees, and will create, receive or use PHI on the City's behalf. Contractor agrees to maintain the privacy and security of such PHI as required by all applicable laws and regulations, including but not limited to HIPAA and the privacy and security regulations adopted under HIPAA. Without limiting the foregoing, Contractor agrees to the following:

1. **Use of PHI:** Contractor shall not and shall ensure that its directors, officers, employees, contractors, and agents (referred to collectively as "Contractor's Agents") do not use PHI other than as expressly permitted by the Contract, or as required by law. Specifically, Contractor shall use PHI only for the following purposes: receive and process claims for payment for all eligible Plan participants; maintain claims history and patient profiles; maintain current eligibility data on all Plan participants; and for the proper management and administration of its internal business processes that relate to its responsibilities under the Contract, and to fulfill its legal responsibilities. In addition, Contractor agrees that it will not sell PHI, including patient or enrollee lists, nor use any PHI to engage in "marketing," as such term is defined in Section 164.501 of Title 45, U.S. Code of Federal Regulations. The term "marketing" includes, but is not limited to, the distribution of or mailing by Contractor or its affiliates of correspondence to City enrollees or their beneficiaries.
2. **Disclosure of PHI:**
 - a. *Disclosure to Third Parties.* Contractor shall not and shall ensure that Contractor's Agents do not disclose PHI to any other person or entity (other than members of Contractor's workforce as specified in subSection b. of this Section), unless disclosure is required by law, and as approved by City in writing. Any such disclosure shall be made only upon the written agreement of the subcontractor to be bound by the provisions of the Contract, for the express benefit of Contractor and City.

To the extent that Contractor discloses PHI to a third party, Contractor must obtain, prior to making any disclosure:

1. reasonable assurances from such third party that PHI will be held confidential as provided in the Contract, and only disclosed as required by law or for the purposes for which it was disclosed to such third party; and
 2. an agreement from such third party to immediately notify Contractor of any breaches of the confidentiality of PHI, to the extent it has obtained knowledge of such breach.
- b. *Disclosure to Workforce.* Contractor shall not disclose PHI to any member of its workforce unless Contractor has advised such person of Contractor's obligations

Section 0640 - HIPAA BUSINESS ASSOCIATE AGREEMENT

CITY OF AUSTIN PURCHASING OFFICE REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008 BENEFIT PLAN ADMINISTRATION SERVICES

under the Contract, and of the consequences for such person and for Contractor of violating them. Contractor shall take appropriate disciplinary action against any member of its workforce who uses or discloses PHI in contravention of this Contract.

3. **Safeguards:** Contractor shall implement all appropriate safeguards to prevent use or disclosure of PHI other than as permitted by the Contract. Contractor shall provide City with such information concerning the safeguards as City may from time to time request and shall, upon reasonable request, give City access for inspection and copying to Contractor's facilities used for the maintenance and processing of PHI, and to its books, records, practices, policies, and procedures concerning the use and disclosure of PHI. In addition, Contractor and Contractor's Agents shall comply with the minimum necessary requirements set forth in the HIPAA privacy regulations when using or disclosing PHI. Contractor also agrees to mitigate, to the extent possible, any harmful effects of an improper use or disclosure of PHI by Contractor in violation of the requirements of the Contract.
4. **Accounting of Disclosures:**
 - (a) Contractor shall maintain a record of all PHI disclosures made other than for the permitted purposes of the Contract, including the date of disclosure, the name and, if known, the address of the recipient of the PHI, a brief description of the PHI disclosed, and the purposes of the disclosures.
 - (b) Within ten (10) calendar days of notice by City to Contractor that City has received a request for an accounting of disclosures of PHI regarding an individual, Contractor shall make available to City such information as is in Contractor's possession and is required for City to make the accounting.
5. **Reporting of Disclosures of Protected Health Information:** Contractor shall, within five (5) business days (Monday - Friday) of becoming aware of a use or disclosure of PHI in violation of this Contract by Contractor or Contractor Agents, report such disclosure or use in writing to Chris Echols in the Employee Benefits Division of the City's Human Resources Department and describe remedial action taken or proposed to be taken with respect to such use or disclosure.
6. **Contracts by Third Parties:** Contractor shall enter into an agreement with any agent or subcontractor that will have access to PHI that is received from, or created or received by Contractor on behalf of City, in which such agent or subcontractor agrees to be bound by the same restrictions, terms, and conditions that apply to Contractor under this Contract.
7. **Disclosure to U.S. Department of Health and Human Services:** Contractor shall make its internal practices, books and records, including policies and procedures, relating to the use and disclosures of PHI available to the Secretary of the United States Department of Health and Human Services, for purposes of determining compliance with HIPAA.
8. **Access by Individuals:** Within ten (10) calendar days of receipt of a request by City, Contractor shall permit any individual whose PHI is maintained by Contractor to have access to and to copy his or her PHI, in the format requested, unless it is not readily producible in such format, in which case it shall be produced in hard copy format. In the event any individual requests access to PHI held by Contractor directly from Contractor,

Section 0640 - HIPAA BUSINESS ASSOCIATE AGREEMENT

CITY OF AUSTIN PURCHASING OFFICE REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008 BENEFIT PLAN ADMINISTRATION SERVICES

Contractor shall, within two (2) days forward such request to City. Any denial of access to the PHI requested shall be the responsibility of City.

9. **Correction of PHI:** Contractor agrees to make any amendments to PHI that the City directs or agrees to under HIPAA. City shall provide Contractor with written instructions regarding any such amendment.
10. **Amendment:** Upon the enactment of any law or regulation affecting the use or disclosure of PHI, or the publication of any decision of a court of the United States or Texas relating to any such law, or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, City may, by written notice to Contractor, amend this Contract in such manner as City determines necessary to comply with such law or regulation. If Contractor disagrees with any such amendment, it shall so notify City in writing within thirty (30) days of the date of the notice. If the parties are unable to agree on an amendment within thirty (30) days thereafter, either of them may terminate the Contract upon written notice to the other.
11. **Breach:** Without limiting the rights of the parties under Section 8.0 of the Contract, should Contractor breach any of its obligations under this Amendment, City may, at its option:
 - a. Exercise any of its rights of access and inspection under Section 3 of this Contract;
 - b. Provide Contractor with notice of the breach and an opportunity to cure such breach within thirty (30) calendar days of the notice of breach. If Contractor fails to cure the breach to City's satisfaction within such cure period, City may terminate the Contract by providing written notice to Contractor. If Contractor cures the breach within the cure period, City may require Contractor to submit to a plan of monitoring and reporting of uses and disclosures of PHI, as City may determine necessary to maintain compliance with this Amendment. Any such monitoring plan shall be made a part of the Contract;
 - c. Immediately terminate the Contract, with or without an opportunity to cure the breach; or
 - d. If termination is not feasible, report the breach to the Secretary of the United States Department of Health and Human Services.

City's remedies under this Section and Section 8.0 of the Contract shall be cumulative, and the exercise of any remedy shall not preclude the exercise of any other.

12. **Procedure Upon Termination.**
 - (1) Except as provided in paragraph (2) below, upon termination of the Contract, for any reason, Contractor shall return or destroy all PHI received from City, or created or received by Contractor on behalf of City. This provision shall also apply to PHI that is in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of the PHI.
 - (2) In the event that Contractor determines that returning or destroying the PHI is not feasible, Contractor shall provide to City written notification of the conditions that make return or destruction infeasible. Upon agreement by City that return or

Section 0640 - HIPAA BUSINESS ASSOCIATE AGREEMENT

CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES

destruction of PHI is not feasible, Contractor shall extend the protections of this Contract to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Contractor maintains the PHI.

13. **Indemnification.** Contractor shall indemnify and hold harmless City from and against any and all costs, liabilities, losses, damages and expenses (including, but not limited to, reasonable attorneys' fees) resulting from any claim, lawsuit or proceeding brought by a third party against City and arising from or related to a breach or alleged breach by Contractor or Contractor's Agents of the obligations referenced herein. Contractor's obligation to indemnify shall survive the expiration or termination of the Contract.
14. **Definitions for Use in this Addendum:**
- (a) *Individually Identifiable Health Information* shall mean information that is a subset of health information, including demographic information collected from an individual, that:
 - (i) is created or received by a health care provider, health plan, employer, or healthcare clearinghouse; and
 - (ii) relates to the past, present, or future physical or mental health or condition of an individual; the provision of healthcare to an individual; or the past, present, or future payment for the provision of healthcare to an individual; and (a) identifies the individual, or (b) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.
 - (b) *Protected Health Information* shall mean Individually Identifiable Health Information that is (i) transmitted by electronic media; (ii) maintained in any medium constituting electronic media; or (iii) transmitted or maintained in any other form or medium.

"CITY"

CITY OF AUSTIN, A Home Rule Municipality

Signature: 

Printed Name: Lynnette Hicks

Title: Procurement Specialist IV

"CONTRACTOR"

Signature: 

Printed Name: Nisha Gandhi

Title: EVP Large Market Sales

City of Austin, Texas
NON-DISCRIMINATION AND NON-RETALIATION CERTIFICATION

City of Austin, Texas

Equal Employment/Fair Housing Office

To: City of Austin, Texas,

I hereby certify that our firm complies with the Code of the City of Austin, Section 5-4-2 as reiterated below, and agrees:

- (1) Not to engage in any discriminatory employment practice defined in this chapter.
- (2) To take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without discrimination being practiced against them as defined in this chapter, including affirmative action relative to employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training or any other terms, conditions or privileges of employment.
- (3) To post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Equal Employment/Fair Housing Office setting forth the provisions of this chapter.
- (4) To state in all solicitations or advertisements for employees placed by or on behalf of the Contractor, that all qualified applicants will receive consideration for employment without regard to race, creed, color, religion, national origin, sexual orientation, gender identity, disability, sex or age.
- (5) To obtain a written statement from any labor union or labor organization furnishing labor or service to Contractors in which said union or organization has agreed not to engage in any discriminatory employment practices as defined in this chapter and to take affirmative action to implement policies and provisions of this chapter.
- (6) To cooperate fully with City and the Equal Employment/Fair Housing Office in connection with any investigation or conciliation effort of the Equal Employment/Fair Housing Office to ensure that the purpose of the provisions against discriminatory employment practices are being carried out.
- (7) To require of all subcontractors having 15 or more employees who hold any subcontract providing for the expenditure of \$2,000 or more in connection with any contract with the City subject to the terms of this chapter that they do not engage in any discriminatory employment practice as defined in this chapter

For the purposes of this Offer and any resulting Contract, Contractor adopts the provisions of the City's Minimum Standard Non-Discrimination and Non-Retaliation Policy set forth below.

City of Austin
Minimum Standard Non-Discrimination and Non-Retaliation in Employment Policy

As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations.

The Contractor will not discriminate against any applicant or employee based on race, creed, color, national origin, sex, age, religion, veteran status, gender identity, disability, or sexual orientation. This policy covers all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising, selection for training and apprenticeship, rates of pay or other forms of compensation, and layoff or termination.

The Contractor agrees to prohibit retaliation, discharge or otherwise discrimination against any employee or applicant for employment who has inquired about, discussed or disclosed their compensation.

Further, employees who experience discrimination, sexual harassment, or another form of harassment should immediately report it to their supervisor. If this is not a suitable avenue for addressing their complaint, employees are advised to contact another member of management or their human resources representative. No employee shall be discriminated against, harassed, intimidated, nor suffer any reprisal as a result of reporting a violation of this policy. Furthermore, any employee, supervisor, or manager who becomes aware of any such discrimination or harassment should immediately report it to executive management or the human resources office to ensure that such conduct does not continue.

Contractor agrees that to the extent of any inconsistency, omission, or conflict with its current non-discrimination and non-retaliation employment policy, the Contractor has expressly adopted the provisions of the City's Minimum Non-Discrimination Policy contained in Section 5-4-2 of the City Code and set forth above, as the Contractor's Non-Discrimination Policy or as an amendment to such Policy and such provisions are intended to not only supplement the Contractor's policy, but will also supersede the Contractor's policy to the extent of any conflict.

UPON CONTRACT AWARD, THE CONTRACTOR SHALL PROVIDE THE CITY A COPY OF THE CONTRACTOR'S NON-DISCRIMINATION AND NON-RETALIATION POLICIES ON COMPANY LETTERHEAD, WHICH CONFORMS IN FORM, SCOPE, AND CONTENT TO THE CITY'S MINIMUM NON-DISCRIMINATION AND NON-RETALIATION POLICIES, AS SET FORTH HEREIN, **OR** THIS NON-DISCRIMINATION AND NON-RETALIATION POLICY, WHICH HAS BEEN ADOPTED BY THE CONTRACTOR FOR ALL PURPOSES WILL BE CONSIDERED THE CONTRACTOR'S NON-DISCRIMINATION AND NON-RETALIATION POLICY WITHOUT THE REQUIREMENT OF A SEPARATE SUBMITTAL.

Sanctions:

Our firm understands that non-compliance with Chapter 5-4 and the City's Non-Retaliation Policy may result in sanctions, including termination of the contract and suspension or debarment from participation in future City contracts until deemed compliant with the requirements of Chapter 5-4 and the Non-Retaliation Policy.

Term:

The Contractor agrees that this Section 0800 Non-Discrimination and Non-Retaliation Certificate of the Contractor's separate conforming policy, which the Contractor has executed and filed with the City, will remain in force and effect for one year from the date of filing. The Contractor further agrees that, in consideration of the receipt of continued Contract payment, the Contractor's Non-Discrimination and Non-Retaliation Policy will automatically renew from year-to-year for the term of the underlying Contract.

Dated this 27th day of March, 2019

CONTRACTOR
Authorized
Signature

Total Administrative Services Corporation (TASC)

Title

EVP Large Market Sales

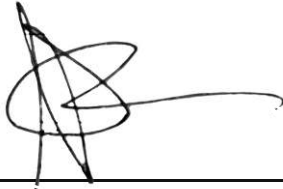
City of Austin, Texas
Section 0805
NON-SUSPENSION OR DEBARMENT CERTIFICATION

The City of Austin is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. Covered transactions include procurement contracts for goods or services equal to or in excess of \$25,000.00 and all non-procurement transactions. This certification is required for all Vendors on all City of Austin Contracts to be awarded and all contract extensions with values equal to or in excess of \$25,000.00 or more and all non-procurement transactions.

The Offeror hereby certifies that its firm and its principals are not currently suspended or debarred from bidding on any Federal, State, or City of Austin Contracts.

Contractor's Name: Total Administrative Services Corporation

Signature of Officer or
Authorized
Representative:



Date: 8/29/2019

Printed Name: Nisha Gandhi

Title

Executive Vice President of Large Markets

CITY OF AUSTIN, TEXAS
SECTION 0810 V2
NON-COLLUSION,
NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING CERTIFICATION
June 26, 2018

The term “**Offeror**”, as used in this document, includes the individual or business entity submitting the Offer. For the purpose of this Affidavit, an Offeror includes the directors, officers, partners, managers, members, principals, owners, agents, representatives, employees, other parties in interest of the Offeror, and any person or any entity acting for or on behalf of the Offeror, including a subcontractor in connection with this Offer.

1. **Anti-Collusion Statement.** The Offeror has not in any way directly or indirectly:

- a. colluded, conspired, or agreed with any other person, firm, corporation, Offeror or potential Offeror to the amount of this Offer or the terms or conditions of this Offer.
- b. paid or agreed to pay any other person, firm, corporation Offeror or potential Offeror any money or anything of value in return for assistance in procuring or attempting to procure a contract or in return for establishing the prices in the attached Offer or the Offer of any other Offeror.

2. **Preparation of Solicitation and Contract Documents.** The Offeror has not received any compensation or a promise of compensation for participating in the preparation or development of the underlying Solicitation or Contract documents. In addition, the Offeror has not otherwise participated in the preparation or development of the underlying Solicitation or Contract documents, except to the extent of any comments or questions and responses in the solicitation process, which are available to all Offerors, so as to have an unfair advantage over other Offerors, provided that the Offeror may have provided relevant product or process information to a consultant in the normal course of its business.

3. **Participation in Decision Making Process.** The Offeror has not participated in the evaluation of Offers or other decision making process for this Solicitation, and, if Offeror is awarded a Contract no individual, agent, representative, consultant, subcontractor, or sub-consultant associated with Offeror, who may have been involved in the evaluation or other decision making process for this Solicitation, will have any direct or indirect financial interest in the Contract, provided that the Offeror may have provided relevant product or process information to a consultant in the normal course of its business.

4. **Present Knowledge.** Offeror is not presently aware of any potential or actual conflicts of interest regarding this Solicitation, which either enabled Offeror to obtain an advantage over other Offerors or would prevent Offeror from advancing the best interests of the City in the course of the performance of the Contract.

5. **City Code.** As provided in Sections 2-7-61 through 2-7-65 of the City Code, no individual with a substantial interest in Offeror is a City official or employee or is related to any City official or employee within the first or second degree of consanguinity or affinity.

6. **Chapter 176 Conflict of Interest Disclosure.** In accordance with Chapter 176 of the Texas Local Government Code, the Offeror:

- a. does not have an employment or other business relationship with any local government officer of the City or a family member of that officer that results in the officer or family member receiving taxable income;

- b. has not given a local government officer of the City one or more gifts, other than gifts of food, lodging, transportation, or entertainment accepted as a guest, that have an aggregate value of more than \$100 in the twelve month period preceding the date the officer becomes aware of the execution of the Contract or that City is considering doing business with the Offeror. and
 - c. does not have a family relationship with a local government officer of the City in the third degree of consanguinity or the second degree of affinity.
7. As required by Chapter 176 of the Texas Local Government Code, Offeror must file a Conflict of Interest Questionnaire with the Office of the City Clerk no later than 5:00 P.M. on the seventh (7th) business day after the commencement of contract discussions or negotiations with the City or the submission of an Offer, or other writing related to a potential Contract with the City. The questionnaire is available on line at the following website for the City Clerk:

<http://www.austintexas.gov/department/conflict-interest-questionnaire>

There are statutory penalties for failure to comply with Chapter 176.

If the Offeror cannot affirmatively swear and subscribe to the forgoing statements, the Offeror shall provide a detailed written explanation with any solicitation responses on separate pages to be annexed hereto.

8. **Anti-Lobbying Ordinance.** On June 14, 2018, the Austin City Council adopted Ordinance No. 20180614-056 replacing Chapter 2.7, Article 6 of the City Code relating to Anti-Lobbying and Procurement. The policy defined in this Code applies to Solicitations for goods and/or services requiring City Council approval under City Charter Article VII, Section 15 (Purchase Procedures). The City requires Offerors submitting Offers on this Solicitation to certify that the Offeror has not in any way directly or indirectly had communication restricted in the ordinance section 2-7-104 during the No-Lobbying Period as defined in the Ordinance. The text of the City Ordinance is posted on the Internet at: https://assets.austintexas.gov/purchase/downloads/New_ALO_Ordinance_No_20180614-056.pdf and is also included in the Solicitation, [Section 0200 V2, Solicitation Instructions June 26, 2018](#).

Section 0815: Living Wages Contractor Certification

Pursuant to the Living Wages provision (reference Section 0400, Supplemental Purchase Provisions) the Contractor is required to pay to all employees of the Prime Contractor and all tiers of subcontractors directly assigned to this City contract a minimum Living Wage equal to or greater than \$15.00 per hour. **All TASC employees that touch this business make \$15.00/hr or more**

- (1) The below listed individuals are all known employees of the Prime Contractor and its subcontractors who are directly assigned to this contract, and all are compensated at wage rates equal to or greater than \$15.00 per hour:

Employee Name	Employer	Prime or Sub	Your Normal Rate	Employee Job Title

- (2) All future employees of both the Prime Contractor and all tiers of subcontractors directly assigned to this Contract will be paid a minimum Living Wage equal to or greater than \$15.00 per hour.
- (3) Our firm will not retaliate against any employee of either the Prime Contractor or any tier of subcontractors claiming non-compliance with the Living Wage provision.

A Prime Contractor or subcontractor that violates this Living Wage provision shall pay each of its affected employees the amount of the deficiency for each day the violation continues. Willful or repeated violations of the provision by either the Prime Contractor or any tier of subcontractor, or fraudulent statements made on this certification, may result in termination of this Contract for Cause, subject the violating firm to possible suspension or debarment, or result in legal action.

I hereby certify that all the listed employees of both the Prime Contractor and all tiers of subcontractors who are directly assigned to this contract are paid a minimum Living Wage equal to or greater than \$15.00 per hour.

Contractor's Name: Total Administrative Services Corporation

Signature of Officer
or Authorized
Representative:

Nisha Gandhi

Date: 4/1/2019

Printed Name:

Nisha Gandhi

Title

Executive Vice President, Large Markets

Section 0835: Non-Resident Bidder Provisions

Company Name Total Administrative Services Corporation (TASC)

- A. Bidder must answer the following questions in accordance with Vernon's Texas Statutes and Codes Annotated Government Code 2252.002, as amended:

Is the Bidder that is making and submitting this Bid a "Resident Bidder" or a "non-resident Bidder"?

Answer: Non-Resident Bidder

- (1) Texas Resident Bidder- A Bidder whose principle place of business is in Texas and includes a Contractor whose ultimate parent company or majority owner has its principal place of business in Texas.
(2) Nonresident Bidder- A Bidder who is not a Texas Resident Bidder.

- B. If the Bidder is a "Nonresident Bidder" does the state, in which the Nonresident Bidder's principal place of business is located, have a law requiring a Nonresident Bidder of that state to bid a certain amount or percentage under the Bid of a Resident Bidder of that state in order for the nonresident Bidder of that state to be awarded a Contract on such bid in said state?

Answer: No Which State: N/A

- C. If the answer to Question B is "yes", then what amount or percentage must a Texas Resident Bidder bid under the bid price of a Resident Bidder of that state in order to be awarded a Contract on such bid in said state?

Answer: N/A

**MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)
PROCUREMENT PROGRAM
Subcontracting/Sub-Consulting ("Subcontractor") Utilization Form**

SOLICITATION NUMBER: RFP 5800 LNH3008

SOLICITATION TITLE: BENEFIT PLAN ADMINISTRATION SERVICES

In accordance with the City of Austin's Minority and Women-Owned Business Enterprises (M/WBE) Procurement Program (Program), Chapters 2-9A/B/C/D of the City Code and M/WBE Program Rules, this Solicitation was reviewed by the Small and Minority Business Resources Department (SMBR) to determine if M/WBE Subcontractor/Sub-Consultant ("Subcontractor") Goals could be applied. Due to insufficient subcontracting/subconsultant opportunities and/or insufficient availability of M/WBE certified firms, SMBR has assigned no subcontracting goals for this Solicitation. However, Offerors who choose to use Subcontractors must comply with the City's M/WBE Procurement Program as described below. Additionally, if the Contractor seeks to add Subcontractors after the Contract is awarded, the Program requirements shall apply to any Contract(s) resulting from this Solicitation.

Instructions:

- a.) Offerors who do not intend to use Subcontractors shall check the "NO" box and follow the corresponding instructions.
b.) Offerors who intend to use Subcontractors shall check the applicable "YES" box and follow the instructions. **Offers that do not include the following required documents shall be deemed non-compliant or nonresponsive as applicable, and the Offeror's submission may not be considered for award.**

☒ **NO, I DO NOT intend to use Subcontractors/Sub-consultants.**

Instructions: Offerors that do not intend to use Subcontractors shall complete and sign this form below (Subcontracting/Sub-Consulting ("Subcontractor") Utilization Form) and include it with their sealed Offer.

☐ **YES, I DO intend to use Subcontractors /Sub-consultants.**

Instructions: Offerors that do intend to use Subcontractors shall complete and sign this form below (Subcontracting/Sub-Consulting ("Subcontractor") Utilization Form), and follow the additional Instructions in the (Subcontracting/Sub-Consulting ("Subcontractor") Utilization Plan). Contact SMBR if there are any questions about submitting these forms.

Offeror Information		
Company Name	Total Administrative Services Corporation (TASC)	
City Vendor ID Code		
Physical Address	2302 International Lane	
City, State Zip	Madison, WI 53704-3140	
Phone Number	608-241-1900	Email Address Nisha.Gandhi@tasconline.com
Is the Offeror City of Austin M/WBE certified?	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES Indicate one: <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> MBE/WBE Joint Venture	

Offeror Certification: I understand that even though SMBR did not assign subcontract goals to this Solicitation, I will comply with the City's M/WBE Procurement Program if I intend to include Subcontractors in my Offer. I further agree that this completed **Subcontracting/Sub-Consulting Utilization Form**, and if applicable my completed **Subcontracting/Sub-Consulting Utilization Plan**, shall become a part of any Contract I may be awarded as the result of this Solicitation. Further, if I am awarded a Contract and I am not using Subcontractor(s) but later intend to add Subcontractor(s), before the Subcontractor(s) is hired or begins work, I will comply with the City's M/WBE Procurement Program and submit the **Request For Change** form to add any Subcontractor(s) to the Project Manager or the Contract Manager for prior authorization by the City and perform Good Faith Efforts (GFE), if applicable. I understand that, if a Subcontractor is not listed in my **Subcontracting/Sub-Consulting Utilization Plan**, it is a violation of the City's M/WBE Procurement Program for me to hire the Subcontractor or allow the Subcontractor to begin work, unless I first obtain City approval of my **Request for Change** form. I understand that, if a Subcontractor is not listed in my **Subcontracting/Sub-Consulting Utilization Plan**, it is a violation of the City's M/WBE Procurement Program for me to hire the Subcontractor or allow the Subcontractor to begin work, unless I first obtain City approval of my **Request for Change** form.

Nisha Gandhi, EVP Large Market Sales

Name and Title of Authorized Representative (Print or Type)

Signature/Date

**MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)
PROCUREMENT PROGRAM
Subcontracting/Sub-Consulting ("Subcontractor") Utilization Plan**

SOLICITATION NUMBER: RFP 5800 LNH3008
SOLICITATION TITLE: BENEFIT PLAN ADMINISTRATION SERVICES

INSTRUCTIONS: Offerors who DO intend to use Subcontractors may utilize M/WBE Subcontractor(s) or perform Good Faith efforts when retaining Non-certified Subcontractor(s). Offerors must determine which type of Subcontractor(s) they are anticipating to use (CERTIFIED OR NON-CERTIFIED), check the box of their applicable decision, and comply with the additional instructions associated with that particular selection.

- ☐ I intend to use City of Austin CERTIFIED M/WBE Subcontractor/Sub-consultant(s).

Instructions: Offerors may use Subcontractor(s) that ARE City of Austin certified M/WBE firms. Offerors shall contact SMBR (512-974-7600 or SMBRComplianceDocuments@austintexas.gov) to confirm if the Offeror's intended Subcontractor(s) are City of Austin certified M/WBE and if these firm(s) are certified to provide the goods and services the Offeror intends to subcontract. If the Offeror's Subcontractor(s) are current valid certified City of Austin M/WBE firms, the Offeror shall insert the name(s) of their Subcontractor(s) into the table below and must include the following documents in their sealed Offer:

- Subcontracting/Sub-Consulting Utilization Form (completed and signed)
- Subcontracting/Sub-Consulting Utilization Plan (completed)

- ☐ I intend to use NON-CERTIFIED Subcontractor/Sub-Consultant(s) after performing Good Faith Efforts.

Instructions: Offerors may use Subcontractors that ARE NOT City of Austin certified M/WBE firms ONLY after Offerors have first demonstrated Good Faith Efforts to provide subcontracting opportunities to City of Austin M/WBE firms.

STEP ONE: Contact SMBR for an availability list for the scope(s) of work you wish to subcontract;

STEP TWO: Perform Good Faith Efforts (Check List provided below);

STEP THREE: Offerors shall insert the name(s) of their certified or non-certified Subcontractor(s) into the table below and must include the following documents in their sealed Offer:

- Subcontracting/Sub-Consulting Utilization Form (completed and signed)
- Subcontracting/Sub-Consulting Utilization Plan (completed)
- All required documentation demonstrating the Offeror's performance of Good Faith Efforts (see Check List below)

GOOD FAITH EFFORTS CHECK LIST –

When using NON-CERTIFIED Subcontractor/Sub-consultants(s), **ALL of the following CHECK BOXES MUST be completed in order to meet and comply with the Good Faith Effort requirements and all documentation must be included in your sealed Offer. Documentation CANNOT be added or changed after submission of the bid.**

- ☐ **Contact SMBR.** Offerors shall contact SMBR (512-974-7600 or SMBRComplianceDocuments@austintexas.gov) to obtain a list of City of Austin certified M/WBE firms that are certified to provide the goods and services the Offeror intends to subcontract out. (Availability List). Offerors shall document their contact(s) with SMBR in the "SMBR Contact Information" table on the following page.
- ☐ **Contact M/WBE firms.** Offerors shall contact all of the M/WBE firms on the Availability List with a Significant Local Business Presence which is the **Austin Metropolitan Statistical Area**, to provide information on the proposed goods and services proposed to be subcontracted and give the Subcontractor the opportunity to respond on their interest to bid on the proposed scope of work. When making the contacts, Offerors shall use at least two (2) of the following communication methods: email, fax, US mail or phone. Offerors shall give the contacted M/WBE firms at least seven days to respond with their interest. Offerors shall document all evidence of their contact(s) including: emails, fax confirmations, proof of mail delivery, and/or phone logs. These documents shall show the date(s) of contact, company contacted, phone number, and contact person.

MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)

PROCUREMENT PROGRAM

Subcontracting/Sub-Consulting ("Subcontractor") Utilization Plan

SOLICITATION NUMBER: RFP 5800 LNH3008

SOLICITATION TITLE: BENEFIT PLAN ADMINISTRATION SERVICES

- ☐ **Follow up with responding M/WBE firms.** Offeror shall follow up with all M/WBE firms that respond to the Offeror's request. Offerors shall provide written evidence of their contact(s): emails, fax confirmations, proof of mail delivery, and/or phone logs. These documents shall show the date(s) of contact, company contacted, phone number, and contact person.

- ☐ **Advertise.** Offerors shall place an advertisement of the subcontracting opportunity in a local publication (i.e. newspaper, minority or women organizations, or electronic/social media). Offerors shall include a copy of their advertisement, including the name of the local publication and the date the advertisement was published.

- ☐ **Use a Community Organization.** Offerors shall solicit the services of a community organization(s); minority persons/women contractors'/trade group(s); local, state, and federal minority persons/women business assistance office(s); and other organizations to help solicit M/WBE firms. Offerors shall provide written evidence of their Proof of contact(s) include: emails, fax confirmations, proof of mail delivery, and/or phone logs. These documents shall show the date(s) of contact, organization contacted, phone number, email address and contact person.

**MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)
PROCUREMENT PROGRAM
Subcontracting/Sub-Consulting ("Subcontractor") Utilization Plan**

SOLICITATION NUMBER: RFP 5800 LNH3008
SOLICITATION TITLE: BENEFIT PLAN ADMINISTRATION SERVICES

(Offerors may duplicate this page to add additional Subcontractors as needed)

Subcontractor/Sub-consultant	
City of Austin Certified	<input type="checkbox"/> MBE <input type="checkbox"/> WBE Ethnic/Gender Code: <input type="checkbox"/> NON-CERTIFIED
Company Name	
Vendor ID Code	
Contact Person	Phone Number:
Additional Contact Info	Fax Number: E-mail:
Amount of Subcontract	\$
List commodity codes & description of services	
Justification for not utilizing a certified MBE/WBE	

Subcontractor/Sub-consultant	
City of Austin Certified	<input type="checkbox"/> MBE <input type="checkbox"/> WBE Ethnic/Gender Code: <input type="checkbox"/> NON-CERTIFIED
Company Name	
Vendor ID Code	
Contact Person	Phone Number:
Additional Contact Info	Fax Number: E-mail:
Amount of Subcontract	\$
List commodity codes & description of services	
Justification for not utilizing a certified MBE/WBE	

SMBR Contact Information			
SMBR Contact Name	Contact Date	Means of Contact	Reason for Contact
		<input type="checkbox"/> Phone OR <input type="checkbox"/> Email	

FOR SMALL AND MINORITY BUSINESS RESOURCES DEPARTMENT USE ONLY:

Having reviewed this plan, I acknowledge that the Offeror ☐ HAS or ☐ HAS NOT complied with these instructions and City Code Chapters 2-9A/B/C/D, as amended.

Reviewing Counselor Date

I have reviewed the completing the Subcontracting/Sub-Consultant Utilization Plan and ☐ Concur ☐ Do Not Concur with the Reviewing Counselor's recommendation.

Director/Assistant Director or Designee Date

MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)

PROCUREMENT PROGRAM

Subcontracting/Sub-Consulting ("Subcontractor") Utilization Plan

SOLICITATION NUMBER: RFP 5800 LNH3008

SOLICITATION TITLE: BENEFIT PLAN ADMINISTRATION SERVICES

Title: Child Care Programs

Creation Date: 8/6/2013

Revision Date: 02/2019

The City offers child care programs for full-time, regular employees who have dependent children under the age of 13. The programs described below are offered on a first-come, first-serve basis and as funding permits. HRD-Employee Benefits Division (HRD-EBD) will work with Austin Parks and Recreation Department (PARC), and CompuSys/Erisa, the City's third party administrator, to administer the child care programs. The IRS limit for Child Care assistance is \$5000/year.

There are three components to the child care program:

1. Child Care Assistance Program (CCAP)
2. Youth Camp Scholarship Program
3. Child Care Resources and Referral

Child Care Assistance Program (CCAP)

Child Care Assistance Program is available to employees who meet the following criteria:

1. Employees in a two-parent family must both be working at least 30 hours a week, full-time students, or disabled.
2. Meet the income limits based on family size. Family size includes all dependent children under 18 years of age and any other adult parent living in the home. Family income includes:
 - a. Gross Annual Income for employee and other parent (if applicable)
 - b. Social Security, court ordered support/informal support, grants, other child care subsidies, and all other financial support
 - c. For the employee, use the amount in HR Portal Yearly field.
3. The IRS limit for Child Care assistance is \$5000/year. Benefit consultant needs to verify that Child Care Assistance + FDC amount does not exceed \$5000 IRS limit. If it does exceed the IRS limit the employee may lower FDC amount at that time.
4. Employees may be eligible for up to:
 - a. \$100 weekly for children enrolled in child care up to kindergarten eligible
 - b. \$30 weekly for children ages 5-12 enrolled in after-school care
 - i. Eligible to submit up to the \$100 weekly benefit during weeks that school is not in session based on the 20XX DCAA Calendar (see further below)
 - c. \$100 weekly for disabled dependents up to age 26 enrolled in care

Certification Steps:

1. Benefit Consultant will conduct an intake over the phone and verify that employee meets program requirements before scheduling an appointment. Screen for the following:
 - Two parent household: both work 30+ hours, student status, or disabled
 - Family size & income Ask them if their family income is under the limit
 - Dependent eligibility: If child(ren) is not enrolled in other benefits, employees will need to bring proper documentation.
 - Non-custodial parents: Parents are eligible to receive this benefit while the child is in their possession. Court documentation must be provided.
 - Are they enrolled in FDC?
2. When the employee comes into the office they will complete the application and affidavit confirming that the information they are providing is accurate. Benefit Consultant should re-verify FDC amounts and income limits to ensure employee is eligible for the program. If employee needs to lower or drop FDC amount they may do so at this time.
3. The pay period effective date will be at the beginning of the pay period that the employee applies for the program.

4. Employee can enroll more than one child in the program; annual \$5000 limit must be divided between children enrolled in the program.
5. Benefit Consultant explains the program to the employee and let them know that the payment will be made directly to the child care provider. Benefit Consultant will also provide the employee with the following forms:
 - Certification Form
 - i. Pink copy Carbon copy of completed certification form
 - Disbursement Request Form - provide a few copies and let the employee know they or their child care provider will be responsible in completing and submitting the form to Erisa each month. The form has instructions on how to complete and when form is due for payment.
 - 20XX DCAA Calendar – explain that the calendar will show the amounts that are eligible per child per week and the total for the month. This total is the most the child care provider can request for reimbursement for that month (Note: The totals change based on the number of weeks in the month. Also, benefits after-school care increases up to \$100 weekly for the weeks that school is not in session.)
 - W9 form – this form must be completed once by the child care provider for IRS purposes and submitted to Erisa.
6. After all information has been verified, and the documents have been given to the employee the Benefits Consultant will send the yellow copy of the application to Erisa.
7. Benefits Consultant will create a file folder for newly eligible participants and include application and affidavit. A folder will exist if the employee is recertifying for the program.
8. Benefits Consultant will add newly eligible participant to tracking sheet for 20XX (current year). Tracking sheet can be found at: N:\CHLDCARE\Child care Assistance Program\20XX

Year Round PARD Participants

1. Erisa does not send payments to PARD facilities
2. For year round PARD participants in the child care program this is paid by JV with the spring and summer break camps (below #8). Children in year round PARD programs are identified on the spreadsheet with a green highlight. PARD will notify Benefits Consultant at the beginning of the year and throughout the year of these participants.

Open Enrollment

1. Applications for the program are accepted at any time throughout the year based on available funding. Recertification will take place annually in November/December. If you do not recertify at this time, benefits will end effective December 31st of the current year.

Youth Camp Scholarship Program

Youth Camp Scholarship Program – Provides \$50 per child up to the age of 13, per week during spring and summer break. Program is a joint venture between Parks and Recreation Department (PARD) and HRD. Employees complete and submit the Youth Camp Scholarship Application to HRD-EBD. Employees enroll for the camp through PARD. To enroll older students with special needs, employees must notify the PARD Inclusion Office by phone (512) 974-3914 or email at inclusion@austintexas.gov.

Application Steps with HRD:

1. Employee's complete application starting in January and ending the first week of May
2. As applications come in the Benefits Consultant will add them to the Youth Camp Scholarship Program spreadsheet located at: N:\CHLDCARE\Youth Camp Program\20XX
3. Eligibility list vetted for each applicant (employee and dependent status)
4. Eligibility list sent to PARD program contact by the deadlines
5. PARD enters eligible employees and children into the RecTrak system.

6. Children showing as eligible on RecTrak receive \$50 per week discount on weekly tuition
 7. At the end of summer, PARD provides spreadsheet detailing children's attendance by week and recreation center
 8. PARD spreadsheet is correlated and merged with eligibility list which is used as documentation to produce an AIMS IET. After the list is verified by HRD, PARD will process the JV funds to HRD
- *ADD JVD RECONCILIATION

Employees contact PARD for more information on camps at 512-974-6700.

Camp registration dates and information can be found at: <http://www.austintexas.gov/department/youth>

Child Care Referral Program

All City employees can receive free assistance researching and locating potential child care providers by visiting the following website:

https://www.dfps.state.tx.us/Child_Care/Search_Texas_Child_Care/

All City employees may also contact the Deer Oaks Employee Assistance Program for child care resources at 866-228-2542 or by visiting the website at deeroakseap.com. For website, click on Member Login and enter austintexas.gov as the Username and Password.



City of Austin

Purchasing Office

P.O. Box 1088, Austin, TX 78767

June 3, 2019

Total Administrative Services Corporation (TASC)
Mr. Stuart Bowie
Regional Vice President
2302 International Lane
Madison, WI 53704

Subject: Best and Final Offer of RFP 5800 LNH3008, Benefit Plan Administration Services

Dear Mr. Bowie:

Thank you for your response to the RFP 5800 LNH3008, Benefit Plan Administration Services solicitation for the City of Austin. The City has identified Total Administrative Services Corporation (TASC) as a finalist and is requesting a Best and Final Offer (BAFO) from your company in regard to your submittal.

The BAFO pricing document is attached and must be completed on the form provided. The BAFO should be based upon the information provided in the subject RFP. Propose your most competitive rates for the full five (5) year period, without stipulations. Pricing for all line items listed on the BAFO must be included.

All information is due back to me by 4:00 PM, local time, on Friday, June 7, 2019.

Thank you for your participation in this competitive solicitation. We appreciate your interest in doing business with the City of Austin.

Sincerely,

Lynnette Hicks

Procurement Specialist IV
City of Austin
Purchasing Office

REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES

BAFO Pricing Document
Section 0610 - Price Sheet

CATEGORY OF SERVICE	2020			2021		2022		2023		2024		Total Contract
	# of PART.	MONTHLY RATE	Annual TOTAL	MONTHLY RATE	Annual TOTAL	MONTHLY RATE	Annual TOTAL	MONTHLY RATE	Annual TOTAL	MONTHLY RATE	Annual TOTAL	
9.0 Flexible Spending Account Administration (FLEXTRA)												
FHC Administration	3323	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FHC Debit Card	3323	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FDC Claims	339	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total			\$0.00	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Total Contract Amount			\$0	\$0		\$0		\$0		\$0		\$0

- Requirements:
- a. Rates are calculated on a per employee per month (pepm) except for Wellness and Open Enrollment Administration.
 - b. Contractor shall provide either fee gurantees or fee caps (fees with a maximum percentage increase) for each extension option.
 - c. Contractor shall guarantee fees regardless of enrollment per plan year.
 - d. All required services included in this solicitation must be inlcuded in the quoted fee to the City unless otherwise noted and must be inclusive of labor, materials, supplies, printing, travel, and all costs and fees including administrative burden.
 - e. All fees must be firm regardless of the contractor receiving any or all services.

Corporate Name of Proposer

Date

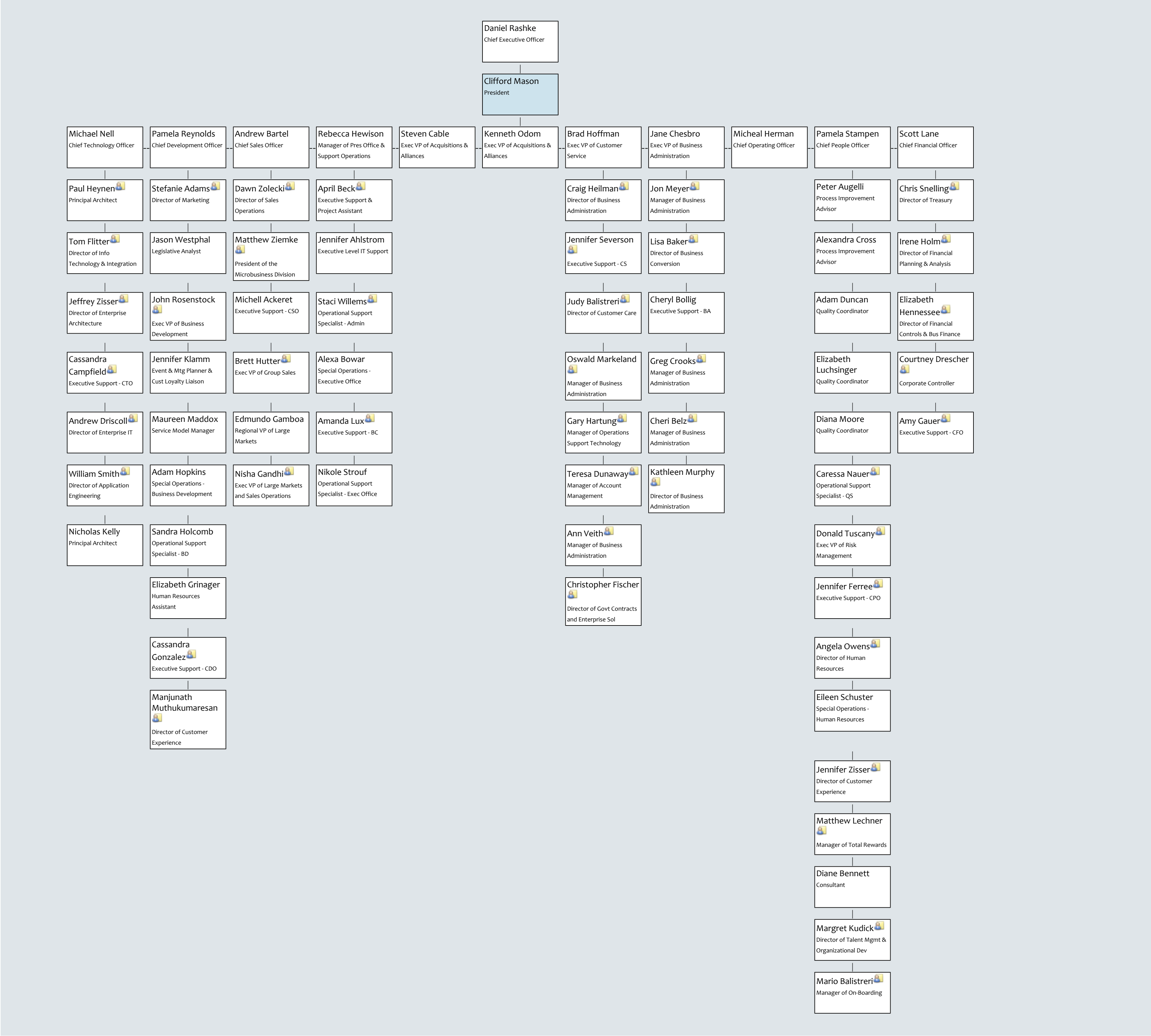
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES

CATEGORY OF SERVICE	2020			2021		2022		2023		2024		Total Contract
	# of PART.	MONTHLY RATE	Annual TOTAL	MONTHLY RATE	Annual TOTAL	MONTHLY RATE	Annual TOTAL	MONTHLY RATE	Annual TOTAL	MONTHLY RATE	Annual TOTAL	
9.0 Flexible Spending Account Administration (FLEXTRA)												
FHC Administration	3323	\$2.20	\$87,727.20	\$2.20	\$87,727.20	\$2.20	\$87,727.20	\$2.20	\$87,727.20	\$2.20	\$87,727.20	\$438,636.00
FHC Debit Card	3323	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FDC Claims	339	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total			\$87,727.20		\$87,727.20		\$87,727.20		\$87,727.20		\$87,727.20	\$438,636.00
Total Contract Amount			\$87,727		\$87,727		\$87,727		\$87,727		\$87,727	\$438,636

- Requirements:
- a. Rates are calculated on a per employee per month (pepm) except for Wellness and Open Enrollment Administration.
 - b. Contractor shall provide either fee gurarantees or fee caps (fees with a maximum percentage increase) for each extension option.
 - c. Contractor shall guarantee fees regardless of enrollment per plan year.
 - d. All required services included in this solicitation must be inlcuded in the quoted fee to the City unless otherwise noted and must be inclusive of labor, materials, supplies, printing, travel, and all costs and fees including administrative burden.
 - e. All fees must be firm regardless of the contractor receiving any or all services.

Total Administrative Services Corporation (TASC)
Corporate Name of Proposer

6/4/2019
Date





March 21, 2019

City of Austin Purchasing Department
Request for Proposal No. RFP 5800 LNH3008
Benefit Plan Administration Services

To Whom It May Concern,

Total Administrative Services Corporation (TASC) is in good standing with all licensing and regulatory agencies which are relevant to our services.

TASC has continually maintained registrations with the state of Wisconsin and the state of Texas as well as TPA licensures in both states for the past five years.

To the best of our knowledge, during our team's tenure with TASC in risk management, TASC has no history of suspension, fines or other disciplinary actions against it.

We did have one complaint dated December 28, 2018 through the Texas Department of Insurance from a participant of TASC's services, which was resolved. We anticipate formal closure of the issue in the near future. The complaint was received 3/8/19 and the response dated 3/21/19. Due to understandable backlogs with the Texas Department of Insurance, we did not receive notice until this month and promptly investigated and replied.

Sincerely,

Enterprise Risk Management Department
Total Administrative Services Corporation

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Gwyn Shea
Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING OF

TOTAL ADMINISTRATIVE SERVICES CORPORATION

Filing Number: 13690306

The undersigned, as Secretary of State of Texas, hereby certifies that the application for reinstatement for the above named entity has been received in this office and has been found to conform to law. It is further certified that the entity has been reinstated to active status on the records of this office.

ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law hereby issues this Certificate of Filing.

Dated: 04/01/2003

Effective: 04/01/2003



A handwritten signature in cursive script that reads "Gwyn Shea".

Gwyn Shea
Secretary of State

ARTICLES OF INCORPORATION

Executed by the undersigned for the purposes of forming a Wisconsin corporation under the "Wisconsin Business Corporation Law", Chapter 180 of the Wisconsin Statutes:

Article I.

The name of the corporation is INSURANCE CENTER AGENCY, INC.

Article II.

The period of existence shall be perpetual.

Article III.

The purposes shall be to engage in any lawful activity within the purposes for which corporations may be organized under the "Wisconsin Business Corporation Law", Chapter 180 of the Wisconsin Statutes.

Article IV.

The number of shares which it shall have authority to issue itemized by classes, par value of shares, shares without par value and series, if any within a class, is:

<u>CLASS</u>	<u>NUMBER OF SHARES</u>	<u>SERIES</u>	<u>PAR VALUE</u>
Common	2,200	A	None
Common	2,200	B	None

Article V.

The Class A common stock shall be voting common stock. The Class B common stock shall have all of the rights of the Class A common stock except it shall be nonvoting.

Article VI.

The address of the initial registered office is 29 Mountain Ash Trail, Madison, Wisconsin, 53707.

DANE COUNTY

Article VII.

The name of the initial registered agent at such address is Donald N. Rashke.

Article VIII.

The number of directors constituting the Board of Directors shall be fixed by By-laws.

Article IX.

These articles may be amended in the manner authorized by law at the time of amendment.

Article X.

The name and address of the Incorporator is Frank W. Bastian,
740 North Plankinton Avenue, Milwaukee, Wisconsin 53203.

Executed in duplicate on the 22nd day of May, 1986.

Frank W. Bastian

STATE OF WISCONSIN)
) ss
COUNTY OF MILWAUKEE)

Personally came before me this 22nd day of May, 1986 the above named Frank W. Bastian to me known to be the person who executed the foregoing instrument, and acknowledged the same.

Notary Public, State of Wisconsin
My Commission Expires 8-24-86

This instrument was drafted by:

Frank W. Bastian

Box 89



Light & Inc.
LIGHTSINN, HAENSEL, BASTIAN & ERCHUL, S.C.

ATTORNEYS AT LAW
740 NORTH PLANKINTON AVENUE
MILWAUKEE, WISCONSIN 53203 2492

Dene
\$170

STATE OF WISCONSIN
FILED

MAY 27 1986

DOUGLAS LA FOLLETTE
SECRETARY OF STATE

State of Wisconsin
SECRETARY OF STATE

01 1014494
Please read instructions on
the reverse before attempting
to complete this form.

Resolved, That Article IV of the Articles of Incorporation of Insurance Center Agency, Inc. shall be amended to increase the number of authorized shares by 19,800 shares of Class A common stock. After the increase, the authorized shares shall be as follows:

Class	Number of Shares	Series	Par Value
Common	22,000	A	None
Common	2,200	B	None

The undersigned officers of Insurance Center Agency, Inc. a Wisconsin corporation
(enter the present corporate name, before any change this amendment may cause)
with registered office in Dane County, Wisconsin, CERTIFY:

~~I (A) The foregoing amendment of the articles of incorporation of said corporation was consented to in writing by the holders of all shares entitled to vote with respect to the subject matter of said amendment, duly sign-
ack by said shareholders or in their names by their duly authorized attorneys.~~

OR (Please strike out the item you do not use) - See instruction 1

1 (B) The foregoing amendment of the articles of incorporation of said corporation was adopted by the shareholders on the 20th day of June, 1989 by the following vote:

Class	Number of SHARES outstanding	Number of SHARES entitled to vote	Number of "Yes" votes REQUIRED	Number of "Yes" votes CAST	Number of "No" votes CAST
Class A Common	1,773	1,773	887	1,773	
Class B Common	0	0	0		

VOTE ON ADOPTION

2 (See instruction 2)

Executed in duplicate and seal (if any) affixed this 20 day of June, 1989.

BY:

Frank W. Bastian
AFFIX SEAL

BY:

Frank W. Bastian

as (Secretary) or ~~(Asst. Secretary)~~ or state that as (President) or ~~(Vice-President)~~
indicate which there is none indicate which

This document
was drafted by

Frank W. Bastian
please print or type the name of the individual

WISCONSIN
OF STATE
CREDIT

Article IV : Changing authorized shares
from com 2,200 Series A @ N/P
2,200 Series B @ N/P
to 23,000 com @ N/P Series A
2,200 com @ N/P Series B
 Mail Returned Copy to:
 (FILL IN THE NAME AND ADDRESS HERE)



\$6.00 Dane Co

Frank W. Bastian
 Lic sinn & Haensel, s.c.
 740 Plankinton Ave., Suite 510
 Milwaukee, WI 53203

\$500.00

STATE OF WISCONSIN
 FILED

AUG 31 1989

DOUGLAS LA FOLLETTE
 SECRETARY OF STATE

If a problem exists with the filing of this form, may we call you to attempt to resolve it? If so, please provide us with a phone number at which you can be reached during the day. 414 - 276-3400

INSTRUCTIONS

Amendment may be effected either by

- A) Vote of the shareholders, at a shareholder's meeting. Use **OR** B) Written consent of all shareholders, without a meeting. Use item 1 (b).

Ref. sec. 180.25 Wis. Stats. For corporations organized on or after 1 Jan 1973, statutory minimum of affirmative votes to adopt resolution is a majority of the shares entitled to vote. For corporations organized previously, statutory minimum is 2/3 of the shares entitled to vote, unless articles provide for majority vote. (If any class or series of shares is entitled to vote as a class, minimum vote requirements must be met by each class or series entitled to vote thereon as a class and of the total shares entitled to vote thereon.)

2 Item 2. If amendment provides for exchange, reclassification or cancellation of issued shares, or effects a change in the amount of stated capital, enter a statement of the manner in which the same will be accomplished. Ref. sec. 180.53 (6) & (7) Wisconsin Statutes.

3 Affix **CORPORATE SEAL** to each copy of the document, or enter the remark "NO SEAL" if the corporation does not have a seal. The **PRESIDENT** (or vice-president) and **SECRETARY** (or asst. secretary) are to sign each copy with the original signatures. Carbon copy, xerox, or rubber stamp signatures are not acceptable.

4 Submit in **DUPLICATE ORIGINAL**. Furnish Secretary of State two copies of the document. (Mailing address: Corporation Division, Secretary of State, P.O. Box 7846, Madison, WI 53707). One copy will be retained (filed) by Secretary of State and the other copy transmitted directly to the Register of Deeds of the county named in this document, together with your check for the recording fee. When the recording has been accomplished, the document will be returned to the address you furnish on the back of this form.

5 Two **SEPARATE REMITTANCES** are required.

A) Send a filing fee of \$25 (or more), payable to **SECRETARY OF STATE**. Additional fee may be due if amendment causes an increase in authorized capital shares. The rate on shares is \$1.25 per \$1,000 on par value shares, and/or 2½ cents per share on no par value shares. Compute fee at such rates on the aggregate number of shares **AFTER** giving effect to the amendment. Deduct therefrom the fee applicable to the authorized shares **BEFORE** amendment. The remainder, if any, is the additional fee due.

B) Send a **RECORDING FEE** of \$6, payable to **REGISTER OF DEEDS** of the county named in this document as the county within which the corporation's registered office is located. If you append additional pages to this standard form, add \$2 more recording fee for each additional page.

Please furnish the fee for the Register of Deeds in check form with your document, and we will transmit to the Register of Deeds with the document for recording.

01 I014494

18541-90

11/90

93 JUL 8 A 8:00

ARTICLES OF AMENDMENT
Stock (for profit)

WI SEC
OF STATE
CREDIT

JUL 07 12:00PM

#. #

133374 DCORP 40

40.00

A. Name of Corporation: INSURANCE CENTER AGENCY, INC.

(prior to any change effected by this amendment)

Text of Amendment:

Amend Article IV to read as follows:

"The number of shares which it shall have authority to issued itemized by classes, par value of shares, shares without par value and series, if any, within a class is:

Class	# Shares	Series	Par Value
Common	44,000	A	None
Common	2,200	B	None

JUL 16 12:00PM

#. #

134627 DCORP-MI

220.00

B. Amendment(s) to the articles of incorporation adopted on 12/18/92

(date)

Indicate the method of adoption by checking the appropriate choice below:

() By the Board of Directors (In accordance with sec. 180.1002, Wis. Stats.)

OR

(x) By the Board of Directors and Shareholders (In accordance with sec. 180.1003, Wis. Stats.)

OR

() By Incorporators or Board of Directors, before issuance of shares (In accordance with sec. 180.1005, Wis. Stats.)

C. Executed on behalf of the corporation on July 6, 1993

(date)

Donald N. Rashke
(signature)

Donald N. Rashke

(printed name)

President

(title)

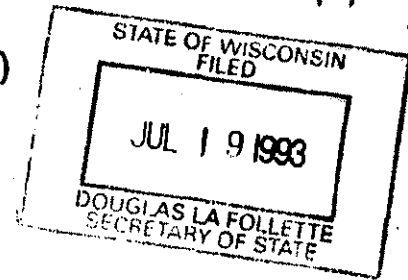
D. This document was drafted by Frank W. Bastian

(name of individual required by law)

SEE REVERSE for Instructions, Suggestions, Filing Fees and Procedures

ARTICLES OF AMENDMENT Stock (for profit)

Increases authorized stock
from 22,000 shs. Com. A. No P.V.
2,000 shs. Com. B. No P.V.
to 14,000 shs. Com. A. No P.V.
2,000 shs. Com. B. No P.V.



LICHTSINN & HAENSEL, S.C.

ATTORNEYS AT LAW
SUITE 1940
111 EAST WISCONSIN AVENUE
MILWAUKEE, WISCONSIN 53202

⏪ Please indicate where you would like the acknowledgement copy of the filed document sent. Please include complete name and mailing address.

Your phone number during the day: (414) 276 - 3400

INSTRUCTIONS (Ref. sec. 180.1006 Wis. Stats. for document content)

Submit one original and one exact copy to Secretary of State, P.O. Box 7846, Madison, Wisconsin, 53707-7846. The original must include an original manual signature (sec. 180.0120(3)(c), Wis. Stats.)

A. State the name of the corporation (before any changes effected by this amendment) and the text of the amendment(s).

If an amendment provides for an exchange, reclassification or cancellation of issued shares, state the provisions for implementing the amendment if not contained in the amendment itself.

B. Enter the date of adoption of the amendment(s). If there is more than one amendment, identify the date of adoption of each. Mark one of the three choices to indicate the method of adoption of the amendment(s).

By Board of Directors - Refer to sec. 180.1002 Wis. Stats. for specific information on the character of amendments that may be adopted by the Board of Directors without shareholder action.

By Board of Directors and Shareholders - Amendments proposed by the Board of Directors and adopted by shareholder approval. Voting requirements differ with circumstances and provisions in the articles of incorporation. See sec. 180.1003 Wis. Stats. for specific information.

By Incorporators or Board of Directors - Before issuance of shares - See sec. 180.1005 Wis. Stats. for conditions attached to the adoption of an amendment approved by a vote or consent of less than 2/3rds of the shares subscribed for.

C. Enter the date of execution and the name and title of the person signing the document. The document must be signed by one of the following: An officer (or incorporator if directors have not been elected) of the corporation or the fiduciary if the corporation is in the hands of a receiver, trustee, or other court appointed fiduciary. At least one copy must bear an original manual signature.

D. If the document is executed in Wisconsin, sec. 14.38(14) Wis. Stats. provides that it shall not be filed unless the name of the drafter (either an individual or a governmental agency) is printed in a legible manner.

FILING FEES

Submit the document with a minimum filing fee of \$40.00, payable to SECRETARY OF STATE. If the amendment causes an increase in the number of authorized shares, provide an additional fee of 1 cent for each new authorized share. When the document has been filed, an acknowledgement copy stamped "FILED" will be sent to the address indicated above.

01 I014494

*** FOR USE ON AND AFTER JANUARY 1, 1991 ***

Form 4
Secretary of State
WISCONSIN
11/90

ARTICLES OF AMENDMENT

Stock (for profit)

ACCT# 0000001533 CLASS CODE 310
TRX# 0000507355 \$40.00

A. Name of Corporation: INSURANCE CENTER AGENCY, INC.
(prior to any change effected by this amendment)

Text of Amendment:

Article 1 of the Original Articles of Incorporation shall be amended to change the name of the corporation from Insurance Center Agency, Inc. to Total Administrative Services Corporation.

B. Amendment(s) to the articles of incorporation adopted on June 17, 1996
(date)

Indicate the method of adoption by checking the appropriate choice below:

☒ By the Board of Directors (In accordance with sec. 180.1002, Wis. Stats.)

OR

☐ By the Board of Directors and Shareholders (In accordance with sec. 180.1003, Wis. Stats.)

OR

☐ By Incorporators or Board of Directors, before issuance of shares (In accordance with sec. 180.1005, Wis. Stats.)

C. Executed on behalf of the corporation on June 17, 1996
(date)


(signature)

Daniel Rashke
(printed name)

President
(title)

D. This document was drafted by Attorney Frank W. Bastian
(name of individual required by law)

SEE REVERSE for Instructions, Suggestions, Filing Fees and Procedures

STATE OF WISCONSIN
JUN 20 4 48:00 PM '96

(2) **ARTICLES OF AMENDMENT** Stock(for profit)

Draw Acct #1533

Changes Corporation Name

\$40.00

Attorney Frank W. Bastian
c/o Lichtsinn & Haensel, S.C.
111 E. Wisconsin Avenue, Suite 1800
Milwaukee, WI 53202
(414) 276-3400

⚡ Please indicate where you would like the acknowledgement copy of the filed document sent. Please include complete name and mailing address.

STATE OF WISCONSIN
FILED

JUN 26 1996

DOUGLAS J. GILLETTE
SECRETARY OF STATE

Your phone number during the day: () -

INSTRUCTIONS (Ref. sec. 180.1006 Wis. Stats. for document content)

Submit one original and one exact copy to Secretary of State, P.O. Box 7846, Madison, Wisconsin, 53707-7846. The original must include an original manual signature (sec. 180.0120(3)(c), Wis. Stats.)

A. State the name of the corporation (before any changes effected by this amendment) and the text of the amendment(s).

If an amendment provides for an exchange, reclassification or cancellation of issued shares, state the provisions for implementing the amendment if not contained in the amendment itself.

B. Enter the date of adoption of the amendment(s). If there is more than one amendment, identify the date of adoption of each. Mark one of the three choices to indicate the method of adoption of the amendment(s).

By Board of Directors - Refer to sec. 180.1002 Wis. Stats. for specific information on the character of amendments that may be adopted by the Board of Directors without shareholder action.

By Board of Directors and Shareholders - Amendments proposed by the Board of Directors and adopted by shareholder approval. Voting requirements differ with circumstances and provisions in the articles of incorporation. See sec. 180.1003 Wis. Stats. for specific information.

By Incorporators or Board of Directors - Before issuance of shares - See sec. 180.1005 Wis. Stats. for conditions attached to the adoption of an amendment approved by a vote or consent of less than 2/3rds of the shares subscribed for.

C. Enter the date of execution and the name and title of the person signing the document. The document must be signed by one of the following: An officer (or incorporator if directors have not been elected) of the corporation or the fiduciary if the corporation is in the hands of a receiver, trustee, or other court appointed fiduciary. At least one copy must bear an original manual signature.

D. If the document is executed in Wisconsin, sec. 14.38(14) Wis. Stats. provides that it shall not be filed unless the name of the drafter (either an individual or a governmental agency) is printed in a legible manner.

FILING FEES

Submit the document with a minimum filing fee of \$40.00, payable to SECRETARY OF STATE. If the amendment causes an increase in the number of authorized shares, provide an additional fee of 1 cent for each new authorized share. When the document has been filed, an acknowledgement copy stamped "FILED" will be sent to the address indicated above.

TOTAL ADMINISTRATIVE SERVICES CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended September 30, 2017 and 2016

NOTE 1 - Summary of Significant Accounting Policies

Nature of Operations

Total Administrative Services Corp. (TASC) is a provider of complete third-party administrative services nationally, with proprietary products and services such as ACA Employer Reporting, AgriPlanNOW, BizPlanNOW, COBRAToday, TASC HRA, ERISAEdge, FlexSystem, FMLAMatters, GiveBack, PayPath, and Retiree Billing.

Principles of Presentation

For 2016, the accompanying financial statements included the accounts of TASC and also an entity determined to be a variable interest entity (VIE) (collectively the "Company"), for which the Company was the primary beneficiary (see Note 13). The Company and its VIE were affiliated through common ownership. Significant intercompany accounts and transactions were eliminated. As of September 30, 2017, the VIE relationship no longer exists, therefore consolidated financial statement presentation is applicable for the year ended September 30, 2016 only.

Estimates

The preparation of financial statements in conformity with accounting standards generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company defines cash and cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less.

Accounts Receivable, Net

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. The Company analyzes the receivables and records a reserve for possible losses on existing receivables that management believes may become uncollectible. An account is considered uncollectible when all collection efforts have failed. The allowance for doubtful accounts for accounts receivable was \$1,056,776 and \$1,409,711 at September 30, 2017 and 2016, respectively.

Accounts receivable are considered to be past due if any portion of the receivable balance is outstanding for more than 30 days. The Company does not charge interest on accounts receivables that are considered past due.

TOTAL ADMINISTRATIVE SERVICES CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended September 30, 2017 and 2016

NOTE 1 - Summary of Significant Accounting Policies (cont.)

Marketable Securities

Marketable securities consist of marketable equity and fixed income securities, as well as various corporate, state, municipal, and foreign bonds. These securities are classified as available-for-sale in accordance with Accounting Standards Codification (ASC) No. 320, *Investments - Debt and Equity Securities* and recorded at fair value. Accordingly, the unrealized gains and losses associated with these securities are reported in shareholder's equity as a component of accumulated other comprehensive income. Realized gains and losses upon disposition are determined using the specific identification method.

Property, Plant, Equipment, and Depreciation

Property, plant, and equipment are valued at cost. Software includes external costs and internal salaries and wages related to programming and development. Maintenance and repair costs are charged to expense as incurred. Gains or losses on disposition of property, plant, and equipment are reflected in income. Depreciation is computed on the straight-line basis for financial reporting purposes, based on the estimated useful lives of the assets.

Goodwill

The Company records goodwill arising from acquisitions at the amount the purchase price exceeds the fair value of other assets acquired and liabilities assumed as goodwill on the accompanying consolidated financial statements. The entire amount of goodwill is expected to be deductible for income tax purposes.

The Company adopted Accounting Standards Update (ASU) 2014-18, *Business Combinations (Topic 805) - Accounting for Identifiable Intangible Assets in a Business Combination*, which only requires separate allocation of intangible assets that could be licensed or sold to a third party. The Company believes all intangible assets acquired in acquisitions do not meet this requirement, and therefore the Company has allocated all intangibles to goodwill. The Company has also adopted ASU 2014-02 *Intangibles - Goodwill and Other (Topic 350): Accounting for Goodwill*. This ASU allows goodwill to be amortized using the straight-line method over a ten-year period.

Impairment

The Company annually considers whether indicators of impairment of long-lived assets, including goodwill, held for use are present. If such indicators are present, management determines whether the sum of the estimated undiscounted future cash flows attributable to such assets is less than their carrying amount and, if so, would recognize an impairment loss based on the excess of the carrying amount of the assets over their fair value, provided the carrying value of such assets are no longer recoverable. No impairment loss was recognized in 2017 and 2016.

TOTAL ADMINISTRATIVE SERVICES CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended September 30, 2017 and 2016

NOTE 1 - Summary of Significant Accounting Policies (cont.)

Revenue Recognition, Deferred Revenue and Cost of Revenue

The Company charges administrative fees for their services based on the anticipated number of plan participants. These fees are recognized into revenue ratably over the term of the contract or at the time the service is performed. The Company will also recognize revenue for other fees charged to their customers including one-time set-up fees. These fees are earned and recorded as revenue when the contract is signed, as the Company has performed all of the client set-up work to be able to earn these fees. The Company may bill for these services in advance, and any portion of unearned revenue is recorded as deferred revenue on the accompanying financial statements.

Cost of revenue is comprised of three components. Costs to sell include costs to obtain new business including incremental commissions paid. Direct costs include expenses related to the Company's sales organization. Costs to resell include costs to maintain the Company's existing book of business including commissions paid on the renewal or book value.

Participant Funds

There are funding receivables and liabilities associated with the FlexSystem, COBRAToday, TASC HRA, and Retiree Billing plans. Cash is received from clients to fund qualified plan expenses. A liability is recognized when funds are received and that liability is reduced as claims or premiums are paid by the Company in accordance with the respective plans. If a client is underfunded at the end of the plan year, or if the Company has advanced funds during the plan year, the Company will recognize a receivable for the underfunded portion. Funds received are not restricted and may be utilized for operating purposes prior to payment of qualified plan expenses.

Participant fund receivables are stated at the amount management expects to collect from balances outstanding at year-end. The Company analyzes the receivables and records a reserve for doubtful accounts that management believes may become uncollectible. An account is considered uncollectible when all collection efforts have failed. The allowance for doubtful accounts for participant funds was \$482,000 and \$1,185,538 at September 30, 2017 and 2016, respectively.

Income Taxes

The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code and comparable state regulations. Under these provisions, the Company does not pay federal income taxes on its taxable income. Instead, the shareholder reports on its personal income tax returns the Company's taxable income and tax credits. The Company is subject to certain state income and other taxes.

The Company recognizes the tax effects from uncertain tax positions only if the positions are more likely than not to be sustained under examination by a tax authority based solely on the technical merits of the position. Management believes that the Company has no uncertain tax positions. The Company's policy is to record interest and penalties related to income tax liabilities in income tax expense. The Company's U.S. Federal income tax returns for fiscal years prior to 2015 and the Company's state income tax returns for generally all fiscal years prior to 2014 are no longer subject to examination by tax authorities. The Company is not currently under examination by any taxing jurisdiction, with the exception of the federal return for the fiscal year ended September 30, 2015. The Company does not anticipate any significant findings or penalties as a result of this examination.

TOTAL ADMINISTRATIVE SERVICES CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended September 30, 2017 and 2016

NOTE 1 - Summary of Significant Accounting Policies (cont.)

Equity

The Company has two classes of common stock: Class A and Class B. Class A common stock has voting rights, whereas Class B common stock has all of the same rights as Class A with the exception that it is nonvoting. The amounts of Class A common stock authorized, issued and outstanding is disclosed in the accompanying consolidated financial statements. There are 2,200 shares of Class B authorized and no shares are issued or outstanding.

Fair Value

Fair value is defined as the price that would be received from the sale of an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company is responsible for determination of fair value. Accordingly, the Company reviews pricing information provided by market experts to determine whether the prices are reasonable estimates of fair value. See Note 7.

Advertising Costs

Advertising costs are expensed when incurred. Advertising costs charged to expense were \$369,814 and \$399,524 during 2017 and 2016, respectively.

Subsequent Events

The Company has evaluated subsequent events occurring through December 21, 2017, the date that the consolidated financial statements were issued, for events requiring recording or disclosure in the September 30, 2017 consolidated financial statements.

NOTE 2 - Significant Contract

The Company entered into a Master Service Agreement (MSA) with The Give Bank Foundation (GBF) to provide consulting, management, IT, and administrative support services. GBF engaged the Company as a subcontractor to a federal contract they simultaneously entered into. The term of MSA is 5 years and automatically renews annually after the fifth year. In conjunction with this MSA, GBF entered into a combined Federal Campaign Contract (CFC) with the U.S. Office of Personnel Management (OPM). This federal contract identifies the Company as a subcontractor to GBF and sets forth the services to be performed by the Company for GBF in a statement of work (SOW).

In year one, under the first SOW, the Company developed a charity application system which went live during April 2017 and was open through August 2017. Subsequently, the Company developed an employee pledge system which went live in September 2017 and will be open through December 2017. Subsequently, the Company will be responsible for administration and maintenance of the systems on an ongoing basis and each system will be open and utilized for a portion of the year.

The contract provides total fees of \$7,665,000 for the first SOW and \$11,796,250 for the second SOW. Years three through five will provide fees of approximately \$12.5 million annually.

TOTAL ADMINISTRATIVE SERVICES CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended September 30, 2017 and 2016

NOTE 2 - Significant Contract (cont.)

The Company recognizes revenue for each SOW using the completed performance method up to the go live date and then the proportional performance method over the remaining period the system is open to participants. For ongoing administration and maintenance services, the Company will recognize revenue ratably over the period of performance. Costs are accumulated until the go live date for each SOW and recognized as incurred over the remaining period.

At September 30, 2017, \$5,715,551 is classified as a current receivable and \$2,618,951 is classified as a long-term receivable. There were no amounts outstanding under this contract for the year ended September 30, 2016. The Company also has a liability to OPM for holding funds on behalf of OPM. That liability at September 30, 2017 is \$2,156,579 and is included in accrued other on the consolidated financial statements. There was no liability outstanding at September 30, 2016.

NOTE 3 - Marketable Securities

Cost and fair value of marketable securities at September 30 are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
2017				
Available for sale:				
Ultra Short Tax Free Fund	\$ 99,900	\$ 183	\$ -	\$ 100,083
Fixed Income Funds	43,122,562	-	(89,395)	43,033,167
State and Municipal Bonds	23,561,584	355,842	-	23,917,426
Foreign Corporate Bonds	2,130,042	55,752	-	2,185,794
Common Stocks	6,348,031	1,411,745	-	7,759,776
Corporate Bonds	<u>25,173,651</u>	<u>430,263</u>	<u>-</u>	<u>25,603,914</u>
Totals	<u>\$100,435,770</u>	<u>\$ 2,253,785</u>	<u>\$ (89,395)</u>	<u>\$102,600,160</u>
2016				
Available for sale:				
Ultra Short Tax Free Fund	\$ 477,135	\$ -	\$ (262)	\$ 476,873
Fixed Income Funds	51,742,818	-	(104,665)	51,638,153
State and Municipal Bonds	22,708,188	422,479	-	23,130,667
Foreign Corporate Bonds	2,171,178	58,048	-	2,229,226
Common Stocks	6,255,248	271,722	-	6,526,970
Corporate Bonds	<u>24,661,403</u>	<u>565,608</u>	<u>-</u>	<u>25,227,011</u>
Totals	<u>\$108,015,970</u>	<u>\$ 1,317,857</u>	<u>\$ (104,927)</u>	<u>\$109,228,900</u>

TOTAL ADMINISTRATIVE SERVICES CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended September 30, 2017 and 2016

NOTE 3 - Marketable Securities (cont.)

During the year ended September 30, 2017, available-for-sale securities were sold for total proceeds of \$126,433,151. The gross realized gains on those sales during 2017 was \$66,105 and the gross realized losses on those sales during 2017 was \$40,174.

During the year ended September 30, 2016, available-for-sale securities were sold for total proceeds of \$199,382,011. The gross realized gains on those sales during 2016 was \$163,099 and the gross realized losses on those sales during 2016 was \$237,539.

For the purpose of determining gross realized gains and losses, the cost of securities is based on specific identification. Mutual funds and common stocks have no stated maturities. The amortized cost and fair value of state and municipal bonds, foreign and corporate bonds by contractual maturity are shown below as of September 30:

<u>2017</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
Due in one year or less	\$ 6,890,359	\$ 7,099,243
Due after one year through five years	36,494,816	37,118,250
Due after five years through ten years	7,333,441	7,341,772
Due after ten years	<u>146,661</u>	<u>147,869</u>
Total	<u>\$ 50,865,277</u>	<u>\$ 51,707,134</u>
<u>2016</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
Due in one year or less	\$ 3,778,550	\$ 3,784,682
Due after one year through five years	37,867,578	38,895,230
Due after five years through ten years	7,454,900	7,460,735
Due after ten years	<u>439,741</u>	<u>446,257</u>
Total	<u>\$ 49,540,769</u>	<u>\$ 50,586,904</u>

Actual maturities may differ from contractual maturities because some borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

NOTE 4 - Related Party Transactions

At September 30, 2017, the Company has two outstanding notes receivable from the Company's shareholder for \$10,260,842. The first note is in the amount of \$1,761,000 of principal and accrues interest at 1% and is due September 30, 2019. An annual payment in the amount of \$18,000 of accrued interest only is due September 30, 2018 and the entire remaining accrued interest and principal is due September 30, 2019. The second note, which was issued in 2017, is in the amount of \$8,500,000 of principal and accrues interest at 1.29% and is due September 30, 2020. An annual payment in the amount of \$109,650 of accrued interest only is due September 30, 2018 and September 30, 2019 and the entire remaining accrued interest and principal is due September 30, 2020. Each of the two notes receivable are secured by a general business security agreement. The balance outstanding on these notes receivable at September 30, 2016 was \$1,761,000.

TOTAL ADMINISTRATIVE SERVICES CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended September 30, 2017 and 2016

NOTE 4 - Related Party Transactions (cont.)

The Company also had a note receivable due from a related party entity for the purchase of one of the corporate office buildings. The Company and this entity had common ownership. The entire note balance was \$3,381,911, with \$109,980 classified as a current asset as of September 30, 2016. This note included monthly payments of \$19,899 including interest at 4.19%. The note was due during October 2036 and was secured by the property the related entity purchased. See Note 13. As of September 30, 2017, this note was paid in full.

From time to time, the Company also extends credit to other related parties. As of September 30, 2017 and September 30, 2016, the Company has a note receivable balance to a related party for an amount of \$340,000 and \$96,206, respectively. These amounts are due on demand but classified as long-term assets in the accompanying consolidated financial statements as repayment is not expected within the next 12 months.

The future principal collections on the related parties note receivable are expected to be as follows during the year ended September 30:

2019	\$ 1,760,842
2020	<u>8,500,000</u>
Total	<u>\$ 10,260,842</u>

The Company believes that all related party receivables are collectible and therefore, no allowance for doubtful accounts has been recorded against these receivables. There have been no historical losses on these receivables in the past and current economic conditions do not indicate that any allowance would be necessary. The Company evaluates the need for an allowance or impairment on the receivables on an annual basis or when conditions suggest that there could be an impairment. Accounts are written off after management determines the account will not be collected. The Company considers these receivables to have low credit risk due to the fact that they are from related parties.

At September 30, 2017 the Company has a payable due to a related party with a balance of \$1,200,000. This balance is expected to be paid in full during fiscal year 2018, therefore the balance is classified as a current liability.

TOTAL ADMINISTRATIVE SERVICES CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended September 30, 2017 and 2016

NOTE 5 - Property and Equipment

The major categories of property and equipment are summarized as follows at September 30, 2017 and 2016:

	Depreciable Lives	2017	2016
Land	N/A	\$ -	\$ 194,549
Buildings and improvements	7-39 yrs	879,518	4,625,268
Furniture and equipment	7 yrs	1,172,039	1,273,057
Technology hardware	5 yrs	3,927,534	5,303,104
Software	3 yrs	34,574,493	24,402,304
Software under development	N/A	<u>5,706,745</u>	<u>5,912,351</u>
Totals		46,260,329	41,710,633
Less: Accumulated depreciation		<u>(25,060,684)</u>	<u>(21,403,114)</u>
Net Property and Equipment		<u>\$ 21,199,645</u>	<u>\$ 20,307,519</u>

NOTE 6 - Goodwill

Goodwill is amortized by the straight-line method over ten years. Goodwill is tested for impairment when events and circumstances indicate it is more likely than not an impairment has occurred. There have been no goodwill impairment losses during the fiscal years ended September 30, 2017 and 2016.

Goodwill consists of the following at September 30:

	2017	2016
Total Goodwill	\$ 85,103,994	\$ 84,449,473
Less: Accumulated amortization	<u>(46,214,551)</u>	<u>(38,352,561)</u>
Goodwill, net	<u>\$ 38,889,443</u>	<u>\$ 46,096,912</u>

Amortization expense for goodwill during 2017 and 2016 was \$7,861,990 and \$8,095,325, respectively.

The future amortization expense for goodwill is estimated to be as follows during the fiscal years ended September 30:

2018	\$ 7,758,836
2019	7,282,703
2020	6,880,660
2021	6,178,730
2022	4,802,712
2023 and thereafter	<u>5,985,802</u>
Total	<u>\$ 38,889,443</u>

TOTAL ADMINISTRATIVE SERVICES CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended September 30, 2017 and 2016

NOTE 7 - Fair Value Measurements

The Company follows fair value accounting standards that relate to financial assets and liabilities, which provides a framework for measuring, reporting and disclosing fair value under generally accepted accounting principles. These standards apply to all assets and liabilities that are measured, reported and/or disclosed on a fair value basis.

As defined in the fair value accounting standards, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, we use various valuation methods including the market, income and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated, or generally unobservable inputs. Whenever possible we attempt to utilize valuation methods that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation methods, we are required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Assets and liabilities measured, reported and/or disclosed at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Fair value is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets in which we can participate. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in level 1, which are either directly or indirectly observable as of the reporting date. Level 2 includes those financial instruments and assets that are valued using models or other valuation methodologies.
- Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. At each balance sheet date, we perform an analysis of all instruments subject to fair value measurement and include in level 3 all of those whose fair value is based on significant unobservable inputs.

The following is a description of the valuation methodology used for each asset and liability measured at fair value on a recurring basis.

Available-for-sale securities - Fixed income funds, exchange traded funds and common stocks are classified as Level 1 measurements within the fair value hierarchy as they are measured at quoted values of securities actively traded on a national exchange. State, municipal, foreign and corporate bonds are classified as Level 2 measurements within the fair value hierarchy as they are measured using the market approach representing price estimates obtained from third-party independent pricing services using pricing models or quoted prices of securities within similar characteristics.

Interest rate swaps - Interest rate swaps are classified as Level 2 measurements within the fair value hierarchy. The fair value measurement of a derivative instrument is based on a discounted cash flow model that utilizes observable market data, such as market interest rates and interest rate curves.

TOTAL ADMINISTRATIVE SERVICES CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended September 30, 2017 and 2016

NOTE 7 - Fair Value Measurements (cont.)

Information regarding assets and liabilities at fair value on a recurring basis as of September 30 is as follows:

<u>2017</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Ultra Short Tax Free Fund	\$ 100,083	\$ 100,083	\$ -	\$ -
Fixed Income Funds	43,033,167	43,033,167	-	-
State and Municipal Bonds	23,917,426	-	23,917,426	-
Foreign Corporate Bonds	2,185,794	-	2,185,794	-
Common Stocks	7,759,776	7,759,776	-	-
Corporate Bonds	25,603,914	-	25,603,914	-
Interest Rate Swaps	30,186	-	30,186	-
Total Assets	<u>\$102,630,346</u>	<u>\$ 50,893,026</u>	<u>\$ 51,737,320</u>	<u>\$ -</u>
<u>2016</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Ultra Short Tax Free Fund	\$ 476,873	\$ 476,873	\$ -	\$ -
Fixed Income Funds	51,638,153	51,638,153	-	-
State and Municipal Bonds	23,130,667	-	23,130,667	-
Foreign Corporate Bonds	2,229,226	-	2,229,226	-
Common Stocks	6,526,970	6,526,970	-	-
Corporate Bonds	25,227,011	-	25,227,011	-
Total Assets	<u>\$109,228,900</u>	<u>\$ 58,641,996</u>	<u>\$ 50,586,904</u>	<u>\$ -</u>
Liabilities - Interest Rate Swaps	<u>\$ 35,881</u>	<u>\$ -</u>	<u>\$ 35,881</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 35,881</u>	<u>\$ -</u>	<u>\$ 35,881</u>	<u>\$ -</u>

The assets acquired and liabilities assumed in a business combination are measured at fair value. Variations of cost, market and income approaches are used to measure the fair value components of working capital and tangible assets. When measuring fair value of acquired intangible assets, the income, market and cost approaches are generally considered. Financial assets and liabilities are valued based on a quoted price in an active market. In the absence of a quoted market price a valuation technique is used to determine fair value, such as a market approach or an income approach. These measures require significant judgment including estimates of expected cash flow, or discount rates among others. There were no significant assets and liabilities recorded on a nonrecurring basis as of September 30, 2017 and September 30, 2016.

NOTE 8 - Line of Credit

On March 13, 2014, the Company entered into an amended and restated credit agreement, including a revolving loan with the available credit not to exceed \$25,000,000. Balances outstanding under the agreement are due during March 2019. The line of credit is secured by business assets, general business security agreement and guarantees of various parties. At September 30, 2016, the margin on the revolving line of credit (1.75%) and certain fees are subject to adjustment based on the changes in the Company's funded debt and seller debt to EBITDA ratio.

TOTAL ADMINISTRATIVE SERVICES CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended September 30, 2017 and 2016

NOTE 8 - Line of Credit (cont.)

As of July 14, 2017, the Company refinanced their bank debt and as a result, the balance on the revolving loan was fully paid off. See Note 9 for further information.

NOTE 9 - Long-Term Notes Payable

Long-term notes payable consist of the following at September 30:

	<u>2017</u>	<u>2016</u>
Noninterest bearing hold back or incentive notes payable related to purchase of book of service businesses, contingent upon growth of acquired business, payable at various dates from fiscal 2017 through fiscal 2022. Notes are secured by general business security agreements.	\$ 1,413,036	\$ 4,350,000
Bank term note payable, interest at LIBOR plus the applicable margin per the table below (2.27% at September 30, 2016), payable at \$750,000 quarterly, due at maturity during May 2019. Note is secured by business assets, personal guarantees of various parties and a general business security agreement. See below paragraph for further information regarding refinance of debt with the bank on July 14, 2017.	-	7,500,000
Bank term note payable, interest at LIBOR plus the applicable margin per the table below (2.42% at September 30, 2017), payable at \$750,000 quarterly, due at maturity during March 2022. Note is secured by business assets, personal guarantees of various parties and a general business security agreement. See below paragraph for further information regarding refinance of debt with the bank on July 14, 2017.	13,500,000	-
Bank term note payable, interest at LIBOR plus the applicable margin per the table below (2.27% at September 30, 2016), payable at \$250,000 quarterly, due at maturity during March 2019. Note is secured by business assets, personal guarantees of various parties and a general business security agreement. See below paragraph for further information regarding refinance of debt with the bank on July 14, 2017.	<u>-</u>	<u>4,500,000</u>
Totals	14,913,036	16,350,000
Less: Current portion	<u>(4,224,515)</u>	<u>(8,350,000)</u>
Long-Term Portion	<u>\$ 10,688,521</u>	<u>\$ 8,000,000</u>

TOTAL ADMINISTRATIVE SERVICES CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended September 30, 2017 and 2016

NOTE 9 - Long-Term Notes Payable (cont.)

As of July 14, 2017, the Company refinanced their bank debt. As a result, the balance on the revolving credit agreement and various term notes were paid off and refinanced with new debt.

Principal requirements on long-term notes payable for years ending after September 30, 2017, including current maturities, are summarized as follows:

2018	\$ 4,224,515
2019	3,058,394
2020	3,050,104
2021	3,043,032
2022	<u>1,536,991</u>
Total	<u>\$ 14,913,036</u>

The applicable margin on each bank note payable is subject to adjustment based on the following changes in the Company's funded debt and seller debt to EBITDA ratio:

Level	Funded Debt and Seller Debt to EBITDA Ratio	Multi-draw Facility Margin
I	Less than 1.5 to 1.0	1.75%
II	Less than 2.0 to 1.0 but greater than or equal to 1.5 to 1.0	2.00
III	Less than 2.5 to 1.0 but greater than or equal to 2.0 to 1.0	2.25
IV	Less than 3.0 to 1.0 but greater than or equal to 2.5 to 1.0	2.50
V	Greater than or equal to 3.0 to 1.0	2.75

NOTE 10 - Deferred Compensation

The Company adopted a Phantom Stock plan effective January 2009. Under the terms of the plan, 147.5 and 102.5 phantom shares were granted to participants and are outstanding as of September 30, 2017 and 2016, respectively. The phantom shares vest over a specified period and entitle participants to future payments based on the amount of EBITDA increase compared to the base year. Future payments are payable in four annual installments for vested shares beginning upon the written request of the participant or following their termination.

As of September 30, 2017 and 2016, the Company's liability under the plan was \$6,188,184 and \$4,413,787, respectively. The Company recorded a current portion of the liability in the amount of \$278,589 at September 30, 2017 and September 30, 2016, respectively, as this will be due within the next twelve months.

TOTAL ADMINISTRATIVE SERVICES CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended September 30, 2017 and 2016

NOTE 11 - Operating Leases

The Company leases equipment and property under operating leases that expire on various dates through 2026. The Company also leases the corporate office in Madison, Wisconsin from a related party with common ownership (as further discussed in Note 1).

Future minimum payments, by year and in the aggregate, under noncancellable operating leases with initial or remaining terms in excess of one year consist of the following at September 30, 2017:

	<u>Operating Leases</u>	<u>Related Party Operating Leases</u>
2018	\$ 186,475	\$ 609,345
2019	65,570	616,455
2020	29,450	623,779
2021	29,658	258,996
2022	29,923	266,766
2023 and future years	<u>1,800,798</u>	<u>1,174,612</u>
Totals	<u>\$ 2,141,874</u>	<u>\$ 3,549,953</u>

Total rent expense for all operating leases was \$978,540 and \$1,427,998 in 2017 and 2016, respectively. Of that amount, related party rent expense was \$583,778 and \$400,166 in 2017 and 2016, respectively.

NOTE 12 - Concentrations of Credit Risk

Financial instruments that subject the Company to possible credit risk consist principally of accounts receivable and cash deposits in excess of insured limits.

The Company's cash balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per institution. Balances in excess of \$250,000 are not insured. The balances, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

NOTE 13 - Variable Interest Entities

GAAP requires a reporting entity to consolidate a Variable Interest Entity (VIE), in which the reporting entity has a controlling financial interest, whether voting rights exist or not. A VIE is a legal entity used for business purposes where either (a) its equity is not sufficient to finance the entity's activities without additional subordinated financial support or (b) its equity investors have the power to direct the activities of the entity that most significantly impact its economic performance, the obligation to absorb the entity's losses, or the right to receive its benefits. The primary beneficiary of the VIE is the entity that has both (a) the power to direct the activities of the VIE that most significantly impact the economic performance of the VIE, and (b) either the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

TOTAL ADMINISTRATIVE SERVICES CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended September 30, 2017 and 2016

NOTE 13 - Variable Interest Entities (cont.)

As of September 30, 2016, the Company concluded that there were two related party entities. One of these entities should be consolidated as a VIE. The Company believes this entity would not be able to sustain its operations or obtain any third-party financing without the support or legal guarantees of the Company. Creditors and beneficial interest holders of this VIE have no recourse to the general credit of the Company.

The consolidation of this VIE results in additional construction in progress and a note payable recorded on the consolidated financial statements in the amount of \$1,284,219 as of September 30, 2016. During fiscal 2017, the related party note was settled and therefore, the VIE relationship no longer exists as of September 30, 2017. At that time, this entity was deconsolidated with no gain or loss recognized.

The second VIE is the legal entity that is not consolidated into the accompanying consolidated financial statements for the year ended September 30, 2017 and 2016 as the Company adopted ASU 2014-07, *Consolidation (Topic 810): Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements*. The Company does not guarantee any debt of this legal entity, as the mortgage on the property the VIE holds is with the Company versus another third party financing institution. As of September 30, 2017 the debt between the VIE and the Company was paid in full. Therefore, there is no legal exposure for the Company on this VIE.

NOTE 14 - Retirement Plan

The Company has established a 401(k) retirement plan for eligible employees who have completed 30 days of employment. The plan provides for discretionary matching contributions. During 2017 and 2016, matching contributions totaled \$949,801 and \$962,305, respectively.

NOTE 15 - Contingencies

In the ordinary course of conducting business, the Company occasionally becomes involved in legal proceedings relating to contracts, regulatory issues or other matters. While any proceeding or litigation has an element of uncertainty, management of the Company believes that the outcome of any pending or threatened actions will not have a material adverse effect on the business or financial condition of the Company.

The Company provides some clients with service level commitments and also provides audit support and assistance and reimbursement of penalties and interest to customers who become subject to regulatory examination.

TOTAL ADMINISTRATIVE SERVICES CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended September 30, 2017 and 2016

NOTE 16 - New Accounting Pronouncements

During May 2014, the Financial Accounting Standards Board (FASB) issued ASU No. 2014-09, *Revenue from Contracts with Customers*. ASU No. 2014-09 establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. During August 2015, the FASB issued ASU No. 2015-14, which defers the effective date of ASU No. 2014-09. ASU No. 2014-09 is effective for fiscal years beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. The Company may elect to apply the guidance earlier, but no earlier than fiscal years beginning after December 15, 2016. The amendments may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of initial application. The Company is currently assessing the effect that ASU Nos. 2014-09 and 2015-14 will have on the consolidated financial statements.

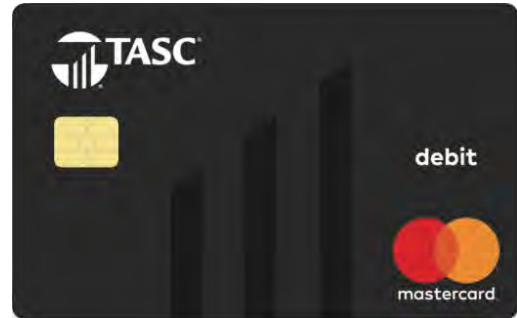
In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. Under the new guidance, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: (1) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (2) a right-of-use asset, which is an asset that represents the lessee's right of use, or control the use of, a specified asset for the lease term. Under the new guidance, lessor accounting is largely unchanged. Certain targeted improvements were made to align, where necessary, lessor accounting with the lessee accounting model and *Topic 606, Revenue from Contracts with Customers*. The new lease guidance simplified the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. Lessee will no longer be provided with a source of off-balance sheet financing. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company is currently assessing the effect that ASU No. 2016-02 will have on the consolidated financial statements.

TASC Debit Card

Unlike other proposers, TASC owns its Card.

Our card:

- Is administered and owned by TASC.
(We are the Debit Card provider.)
- Is issued by MetaBank, Member FDIC.
- Is licensed by MasterCard International Incorporated.
- Is processed by Xformative.





**ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS**

Solicitation: RFP 5800 LNH3008

Addendum No: 1

Date of Addendum: 2/27/19

This addendum is to incorporate the following changes to the above referenced solicitation:

- I. **Additional Information:** A fillable Excel version of Section 0610 Price Sheet has been added to allow Offerors to enter information directly in the document.
- II. ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

ACKNOWLEDGED BY:

Nisha Gandhi
Name


Authorized Signature

03/27/19
Date

RETURN ONE COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, WITH YOUR RESPONSE OR PRIOR TO THE SOLICITATION CLOSING DATE. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION.



**ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS**

Solicitation: RFP 5800 LNH3008

Addendum No: 2

Date of Addendum: 2/28/19

This addendum is to incorporate the following changes to the above referenced solicitation:

- I. **Additional Information:** A conference call-in option has been added for the Pre-Proposal Conference scheduled on March 6, 2019 at 3:00 p.m., CST. The conference call-in number is 512-974-9300, access code 968108. Attendance or calling-in to the pre-proposal meeting is optional.
- II. **Questions:**
- Q1. Can we receive the RFP documents in Word Format?
A1. Solicitation documents will not be provided in Word format.
- III. ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

ACKNOWLEDGED BY:

Nisha Gandhi
Name


Authorized Signature

03/27/19
Date

RETURN ONE COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, WITH YOUR RESPONSE OR PRIOR TO THE SOLICITATION CLOSING DATE. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION.



**ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS**

Solicitation: RFP 5800 LNH3008

Addendum No: 3

Date of Addendum: 3/14/19

This addendum is to incorporate the following changes to the above referenced solicitation:

I. Clarifications: Replace bid sheet Section 0600, Quote Sheet, Page 1 of 3, with the attached.

- C1. Revise header information on Section 0600 from REQUEST FOR PROPOSAL NO. RFQ 5800 LNH3008 to REQUEST FOR PROPSAL NO. RFP 5800 LNH3008
- C2. Delete Item 4. Proposal Bond in Section 0400, Supplemental Purchase Provisions.

~~4. **PROPOSAL BOND: ("BOND")**~~

~~A. All Offers shall be accompanied by a Proposal Bond in an amount of not less than five percent (5%) of the total Offer. The Proposal Bond must have a Power of Attorney attached, issued by a solvent surety authorized under the laws of the State of Texas and acceptable to the City.~~

~~B. The Proposal Bond accompanying the Offer of the apparent successful Offeror will be retained until a Contract is awarded and the successful Offeror executes the Contract and furnishes any required bonds and insurance, after which the Proposal Bond will be returned to the Offeror. The Proposal Bond provided by the next lowest or next Best Offeror will be retained until a Contract is awarded. All other Proposal Bonds will be returned within a reasonable amount of time necessary to make an award recommendation.~~

II. Questions:

- Q1. Could the City provide an eligibility census with age, elections and zip for the self-insured dental plan?
 - A1. Yes, please see attachment Exhibit 23C2.
- Q2. Could the City provide the top 50 billing dental providers on the self-insured dental program?
 - A2. Yes, please see attachment Exhibit 25 – Top 50 Billing Dental Providers.
- Q3. The RFP addresses retirees for some of the services, but not on the self-insured dental plan. The city currently has retirees on a fully insured dental PPO and HMO. Do you foresee moving the retirees to the self-insured plan in the near future?
 - A3. The City reviews this annually.


- Q4. Please clarify. The RFP indicates the City does not have a network for the self-insured dental plan and is not looking for one. The EE may choose any dental provider. Would the city consider a passive network where the EE may continue to choose any dental provider? As an example, if the selected vendor has a passive network and the EE happens to go to a network dental provider, the dental provider would charge the discounted negotiated rate, thereby, stretching the benefit dollars.
- A4. Yes, the City would consider a passive network.
- Q5. On administration requirements Section 4.1.3 – maintaining enrollment forms, is there a paper enrollment as well as an automated enrollment.
- A5. The City of Austin conducts a bi-weekly new employee orientation and during that time employees fill out paper enrollment forms. Employees can also request a status change through the Benefits Office which is also a paper enrollment process. The only time we use electronic is during our open enrollment period which is between mid-October through mid-November.
- Q6. In terms of Section 8.0 Self-funded dental plans administration, will a network be considered as long as people have the option to go to any dentist?
- A6. Yes
- Q7. In the scope of work, the implementation is requested to begin no later than June 2019. Is that possible?
- A7. Implementation will begin after the contract is awarded and executed. The City would want to begin working with the new vendor(s) around July - September to be up and running for Open Enrollment in October and by the 1/1/2020 effective date. The City would want to begin working with the new Open Enrollment vendor in early 2020 to be prepared for Open Enrollment in October 2020.
- Q8. How many copies of response should be submitted.
- A8. One original and one electronic copy (USB flash drive) of your response.
- Q9. Regarding the performance measures and how stringent the City will enforce, if we have questions or not in agreement, can a specific performance measure be modified or clarified?
- A9. We may negotiate performance measures; however, if you are not in agreement with any of the language included in the RFP you should complete the Section 0630 Exceptions form and submit with your response.
- Q10. On the scoring, will you score each service separately?
- A10. Yes, each requested service will be evaluated and scored individually.
- Q11. Is it acceptable if we just bid on a few of the services or must we bid on all services?
- A11. Vendors can propose on one, multiple or all services if they choose.
- Q12. For dental, in terms of the evaluation of cost will you be looking at total costs including what employees pay and not just administrative costs?
- A12. It is a self-insured product and we will be looking at the administrative costs only. We are not interested in a fully-insured product.
- Q13. Do you have any utilization data on claims?
- A13. Since we do not refer employees we do not intend to provide utilization data.
- Q14. In Section 4.1.3 in regards to the paper enrollment forms, is the City interested in offers proposing a solution to eliminate paper forms throughout the year?
- A14. As long as you respond to the eligibility component, we are open to consider all options.

- Q15. As we submit additional questions will a response be provided immediately, or will you gather all the questions and submit a response later all at one time?
- A15. Depending on the questions, responses may take several days. All responses are provided via an Addendum and posted online at Austin Finance Online. Please be sure that you are subscribed to the solicitation to receive notifications via email when Addendums or documents are posted online.
https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=129213 Please be sure that you are subscribed to the solicitation to receive notifications via email when Addendums or documents are posted online.
- Q16. Could we please obtain a census in excel format with each employee broken out on its own line and including the following information: zip code, date of birth, plan selection, tier and gender?
- A.16 The Dental Assistance Plan (DAP) Census as of Jan 2019 Updated Exhibit 23C2 discussed in A1 of this addendum includes – zip code, birth year, tier and gender. The City of Austin Dental Assistance plan is the only dental plan the City offers to eligible employees and their eligible dependents.
- Q17. Could we have the most recent rolling 12-24 months of claims data?
- A17. The exhibits in the RFP includes claims data in Exhibit 23A City of Austin Dental Assistance Plan – 2017 Dental Claims and Exhibit 23B City of Austin Dental Plan – 01012018 thru 11302018 Dental Claims. Please see attachment Exhibit 23B2 City of Austin Dental Assistance Plan – 2018 Dental Claims that includes December data and has been added to provide 24 months of claims data.
- Q18. Would you please provide the top 100 providers in an excel document with the following information?
- Provider National Identification (NPI) – must be 10 digits
 - Provider Tax Identification Number (TIN) – must be 9 digits **A18. Included**
 - Provider Name **A18. Included**
 - Provider Address (number, street)
 - Provider City (optional)
 - Provider State
 - Provider Zip Code
 - Participating / Non-Participating (Par/Non-Par) indicator (indicates whether or not the provider participates in the current carrier's network) **A18. Not applicable, the City does not have a dental network.**
 - Provider Specialty Type (i.e., Cardiology, etc.)
 - Measure of Utilization (paid claims, submitted claims, number of claims, etc.) **A18. Includes amounts claimed, amounts paid, number of claims and number of claims percent.**
 - CPF ID – for existing CIGNA East accounts **A18. Not applicable**
- A18. Please see Q2 in this addendum for Exhibit 25 - 2018 Top 50 Dental Providers and City responses above provided in red text.
- Q19. Do you require Respondents to sign a new BAA?
- A19. If referencing the Section 0640, HIPAA Business Associate Agreement, Respondents submitting Proposals for this RFP are asked to complete, sign and return the document with your response. Please reference Tab 2, Item 4 in Section 0600 Proposal Preparation Instructions and Evaluation Factors document and page 2 of the Offer Sheet.

III. ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

ACKNOWLEDGED BY:

Nisha Gandhi
Name


Authorized Signature

03/27/19
Date

RETURN ONE COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, WITH YOUR RESPONSE OR PRIOR TO THE SOLICITATION CLOSING DATE. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION.



**ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS**

Solicitation: RFP 5800 LNH3008

Addendum No: 4

Date of Addendum: 3/20/19

This addendum is to incorporate the following changes to the above referenced solicitation:

I. Clarifications:

- C1. Delete "Replace bid sheet Section 0600, Quote Sheet, Page 1 of 3, with the attached." on Addendum 3.

Solicitation: RFP 5800 LNH3008

Addendum No: 3

Date of Addendum: 3/14/19

This addendum is to incorporate the following changes to the above referenced solicitation:

- I. Clarifications:** ~~Replace bid sheet Section 0600, Quote Sheet, Page 1 of 3, with the attached.~~

- C2. Replace Section 0500 Scope of Work with attached Section 0500 Scope of Work Version 1.1, Revised 032019. The following revisions were made to the document:

4.0 ELIGIBILITY AND SELF-PAY PROGRAM ADMINISTRATION

Background

The City processes paper enrollment forms for employees on a weekly basis. Retiree forms are processed on a daily basis. On an annual basis, employees and retirees have the option to participate in Open Enrollment via online, telephone or by completing a paper enrollment form. The City's system does not track dependent data. The eligibility vendor will be required to key and track all benefits and dependent data into their system from enrollment forms. **The City will consider an option for a paperless process if it is a cloud-based system that interacts with the City's payroll system, Banner.**

4.1 Administration Requirements

- 4.1.1 The City determines eligibility and the Contractor shall agree to abide by the City's policies and procedures regarding eligibility and coverage effective dates for all Covered Persons. See Section 2.3, Exhibit 1, 3, and 11.
- 4.1.2 Contractor shall accept, key and track enrollment forms. See Section 2.3, Exhibits 2, 4, 12, and 16. **Proposer can propose the City's current paper enrollment process or a paperless option.**
- 4.1.3 Contractor shall maintain enrollment forms and be available upon City request.

- 4.5.4 Contractor shall provide Self-Pay Covered Persons payment coupon books.
~~4.4.5~~ **4.5.5** Contractor shall prepare and mail late payment letters on the 18th of the month to the retiree's mailing address.
4.5.6 Contractor shall terminate benefits the 5th day of the following month due to non-payment.


II. Questions:

- Q1. In Section 0500 Scope of Work, Section 4, Is the City open to completely removing paper enrollment forms (100 of enrollments online or through the Service Center)?
A1. Section 0500 Scope of Work has been revised. See C2 in this Addendum.

III. ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

ACKNOWLEDGED BY:

Nisha Gandhi
Name


Authorized Signature

03/27/19
Date

RETURN ONE COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, WITH YOUR RESPONSE OR PRIOR TO THE SOLICITATION CLOSING DATE. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION.

SCOPE OF WORK – Version 1.1 Revised 032019

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

1.0 PURPOSE

The City of Austin, hereinafter referred to as the “City,” seeks responses to this Request for Proposal (RFP) from qualified firms, agents, and brokers with public sector experience that can provide the requested services in this Scope of Work. These services shall be provided to City of Austin eligible “Covered Persons” listed below:

- Active and Temporary Employees
- Retirees and Surviving Dependents (retirees)
- Surviving Family Members
- Consolidated Omnibus Budget Reconciliation Act Participations (COBRA)
- Domestic Partners (same/opposite sex)
- Employees and Retirees of current Affiliated Employers
 - City of Austin Employees’ Retirement System (COAERS)
 - Austin Fire Fighters Relief and Retirement Fund (AFRS)
 - Austin Police Retirement System (PRS)
- Eligible Dependents
- Disabled Dependents over age 26

Requested Services	Section	Current Vendor
Eligibility and Self-Pay Program Administration	4.0	CompuSys/Erisa Group Inc.
Open Enrollment Administration	5.0	CompuSys/Erisa Group Inc.
COBRA Administration	6.0	CompuSys/Erisa Group Inc.
Continuation of Coverage for Domestic Partners Administration (CCDP)	7.0	CompuSys/Erisa Group Inc.
Self-Funded Dental Plan Claims Administration	8.0	CompuSys/Erisa Group Inc.
Flexible Spending Account Administration (FLEXTRA Administration) <ul style="list-style-type: none">• Health Care (FHC)• Dependent Care (FDC)	9.0	CompuSys/Erisa Group Inc.
Child Care Assistance Program Administration (CAP)	10.0	CompuSys/Erisa Group Inc.

Proposer may submit a Proposal for any or all requested services. The City may elect to award separate contracts for each service or combine services into one or more contracts. The City prefers an integrated approach for all services. The term of the contract(s) will be a thirty-six (36) month initial term with two (2) twelve (12) month extension options. The current contract expires December 31, 2019. If awarded, new contract(s) will commence January 1, 2020 with implementation to begin no later than June 2019.

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

2.0 BACKGROUND

- 2.1 Employees are currently offered the following benefits: medical, dental, vision, basic life, supplemental life, dependent life, short term disability, long term disability, legal, FLEXTRA, Health Savings Account, Child Care Assistance Program, and a wellness program.
- 2.1.1 As of December 2018, there were 14,339 active and temporary employees eligible for benefits. Of these, 13,260 employees and 18,620 dependents were enrolled in at least one benefit. The enrollment volume has increased 7% in the last three years.
- 2.1.2 As of December 2018, there were 116 temporary employees enrolled in medical coverage. Temporary employees are eligible for medical coverage after 12 months of continuous service. No other benefits are extended to temporary employees.
- 2.2 Retirees are currently offered the following benefits: medical, dental, vision, Health Reimbursement Account (HRA), and a wellness program.
- 2.2.1 As of December 2018, there were 7,530 retirees eligible for benefits. Of these, 5,784 retirees and 3,672 dependents were enrolled in at least one benefit. The enrollment volume has increased 5% in the last three years.
- 2.2.2 The City coordinates benefits annuity deductions with three pension systems COAERS, AFRS, and PRS.

- 2.3 Please refer to the Exhibits to this RFP for further information:

Employees

- Exhibit 1 - 2019 Employee Benefits Guide
Exhibit 2 - City of Austin 2019 Benefits Enrollment Form
Exhibit 3 - 2019 Temporary Employee Benefits Guide
Exhibit 4 - City of Austin Temporary Employee Enrollment Form
Exhibit 5 - Employee Benefits Deduction Codes
Exhibit 6 - Payroll File Layout
Exhibit 7 - Employee Open Enrollment File Layout
Exhibit 8 - Dependent Addition and Change Form For Court-Mandated Health Coverage
Exhibit 9 - City of Austin Child Care Assistance Program Certification Form
Exhibit 10 - City of Austin Child Care Assistance Program 2019 Disbursement Request

Retirees

- Exhibit 11 - 2019 Benefits Guide for Retirees and Surviving Dependents
Exhibit 12 - City of Austin 2019 Retiree Benefits Enrollment Form
Exhibit 13 - Retiree Benefits Deduction Codes
Exhibit 14 - Retiree All Enrollees Report (monthly)
Exhibit 15 - Retiree Open Enrollment File Layout

Other Forms

- Exhibit 16 - City of Austin Wellness Enrollment Form
Exhibit 17 - City of Austin FY 2018–19 Payroll Calendar
Exhibit 18 - Plan Year 2019 FLEXTRA City of Austin Cafeteria Plan
Exhibit 19 - Application to Request Continuation of Coverage for a Disabled Dependent Child at Age 26 and Over

General Reports

- Exhibit 20 - General Reports
A. Employee Enrollment Report (monthly)
B. Retiree Enrollment Report (monthly)

SCOPE OF WORK – Version 1.1 Revised 032019

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

- C. COBRA Enrollment Report (monthly)
- D. Age Limit Report (monthly)
- E. Age 65 Medicare Eligibility Report (monthly)
- F. Duplicate Coverage Report (bi-weekly)
- G. Termination Report (bi-weekly)
- H. Employee Exception Report (bi-weekly)
- I. Retiree Exception Report (monthly)

Open Enrollment

Exhibit 21 - Open Enrollment Reports

- A. Demographic Changes Report
- B. Online Participation Report
- C. Retiree Changes Report for RDS
- D. QMCSO Report
- E. Duplicate Coverage Report
- F. Plan Migration Report
- G. Dependent Verification Report
- H. FHC Balance Report for CDHP Participants
- I. CDHP Participants Report
- J. 2018 Employee Coverage Information Statement
- K. Your 2019 Employee Benefits Confirmation Statement
- L. 2018 Retiree Coverage Information Statement (2 pages)
- M. Your 2019 City of Austin Retiree Confirmation Statement
- N. Your 2018 City of Austin Retiree Confirmation Statement Passive Enrollment

Dental

Exhibit 22 - 2019 Employee Dental Assistance Plan Document

Exhibit 23 - Dental Claims and Census

- A. City of Austin Dental Assistance Plan - 2017 Dental Claims
- B. City of Austin Dental Assistance Plan - 01012018 thru 11302018 Dental Claims
- C. Dental Assistance Plan Census as of Jan 2019

Miscellaneous

Exhibit 24 - Information Not Included on Benefits Enrollment Form

3.0 GENERAL REQUIREMENTS FOR ALL SERVICES - All General Requirements must be included in the proposed base fee.

- 3.1 Proposer shall submit a Proposal that includes services for all eligible Covered Persons.
- 3.2 Federal, State and Local Law Requirements
 - 3.2.1 Contractor shall administer all services for these benefits in strict compliance with applicable federal, state and local laws.
 - 3.2.2 Facilities and equipment shall be accessible and in compliance with Americans with Disabilities Act (ADA) requirements.
 - 3.2.3 If a federal, state, or local law requires distribution of information to Covered Persons, Contractor shall distribute such information directly to Covered Persons' mailing addresses.
 - 3.2.4 Contractor shall monitor, on an ongoing basis, federal and state legislative activity and inform the City of all bills under consideration that could potentially affect the City's ability to provide benefits to Covered Persons as described in this Scope of Work.

SCOPE OF WORK – Version 1.1 Revised 032019

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

- 3.3 Contractor shall agree to work with vendors contracted by the City.
- 3.4 Cost and Financial Information
 - 3.4.1 Contractor shall provide fee guarantees or fee caps (fees with a maximum percentage increase) for each extension option. Fees shall be provided on Section 0610 Price Sheet.
 - 3.4.2 Contractor shall guarantee fees regardless of enrollment per plan year.
 - 3.4.3 Contractor shall calculate monthly fees owed by the City for employees and retirees using enrollment information as of the first day of each month. Contractor shall honor the enrollment dates of employees and retirees who enroll after the first day of each month. Contractor will be paid for these persons beginning the following month.
 - 3.4.4 Contractor shall provide invoices to the City by the 10th of the month for administrative services. Invoices shall include vendor name and payment address as it appears on the City's Vendor Registration System, invoice date, non-duplicated invoice number, itemized listing of services rendered, and date of service. Payment will be made in accordance with the payment terms stated in Section 0300 of the solicitation. Invoices shall be emailed to Anitra.Jones@austintexas.gov
 - 3.4.5 Contractor shall process deposits and payments out of the City's zero balance account (ZBA) for the following administration services: COBRA, CCDP, Self-Pay Program Administration, Self-Funded Dental Plan Claims Administration, and the CAP Administration.
 - 3.4.6 Contractor shall process deposits and payments out of a separate bank account for the FLEXTRA. This is **not** a City account. The City deposits employee payroll deductions on a bi-weekly basis.
 - 3.4.7 Contractor shall work with the City's Financial Services Department to implement procedures for banking arrangements, wire transfers, and bank reconciliations. Contractor shall comply with the bank's process to eliminate check fraud.
 - 3.4.8 Contractor shall process and report unclaimed property (claim checks) in accordance with Texas unclaimed property laws and regulations.
 - 3.4.9 Contractor shall provide 1099 functions, by reporting in accordance with timelines and regulations established by the IRS.
- 3.5 Customer Service
 - 3.5.1 Contractor shall have a toll-free telephone number and a text telephone line or state relay capability.
 - 3.5.2 Customer service line must be fully operational on January 1, 2020.
 - 3.5.3 Contractor's customer service shall include, at a minimum: verification of eligibility and benefits, claims inquiries, and problem resolution.
 - 3.5.4 Contractor shall provide translation services.
 - 3.5.5 Contractor's telephone system shall have the capability to prompt-out to speak to a customer service representative.
 - 3.5.6 Contractor shall have customer service staff available to answer questions Monday through Friday, from 7:30 a.m. to 5 p.m. Central Time.
 - 3.5.7 Contractor shall assign designated staff to the City's account.
 - 3.5.8 Contractor shall respond to telephone calls and email from City staff within one (1) business day.
- 3.6 Transition and Implementation Timelines
 - 3.6.1 Contractor shall work with current vendor to ensure all required information is transferred to ensure no disruption in service.
 - 3.6.2 Within 30 days of contract award and execution, Contractor shall meet with the City to finalize administrative procedures, expectations and program implementation. Within 30 days of the meeting, the Contractor shall provide the City with four copies of an administrative manual detailing the administrative procedures and expectations as agreed upon during the meeting.

SCOPE OF WORK – Version 1.1 Revised 032019

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

- 3.6.3 Contractor shall provide training and education sessions as determined by the City for City benefits staff concerning program administration.
- 3.6.4 Contractor shall attend quarterly employer meetings as determined by the City.
- 3.6.5 Contractor shall load the eligibility file received from the current vendor for all Covered Persons during the vendor transition.
- 3.6.6 Contractor's system shall verify eligibility, benefits, and process claims, as of 12:01 a.m. on January 1, 2020.
- 3.6.7 At the end of the contract period, Contractor shall be required to cooperate with any successful Contractor(s) regarding claims and eligibility data transmission to ensure no disruption in service, at no additional cost.
- 3.7 Auditing
 - 3.7.1 Contractor shall have a separate unit or individual, not involved in claims processing, perform fraud investigations when necessary.
 - 3.7.2 The City may perform audits, at their discretion, with Contractor absorbing its own cost for the audit and the City absorbing the cost of its audit team.
 - 3.7.3 Contractor shall allow the City to audit or designate an independent third party to audit. The City's auditors may examine all related documentation including contracts, tapes/files and/or on-site records and transactions relating to the services provided to the City.
 - 3.7.4 Contractor shall reimburse the City for any amounts identified as overpaid incorrectly during the audit. Contractor shall not seek reimbursement from Covered Persons for claims paid incorrectly for dental, FLEXTRA, CAP, COBRA and CCDP during a previous plan year.
 - 3.7.5 Dental Contractor shall, on an annual basis, have a duly licensed and certified external auditing firm conduct an audit in accordance with the American Institute of Certified Public Accountants Statement on Standards for Attestation Engagement 16 (SSAE 16), Reporting on Controls at Service Organizations. Upon completion of the audit, Contractor shall provide an electronic copy of the audit report to the City Contract Manager.
 - 3.7.6 Audits may continue up to three years after termination or expiration of the contract.
- 3.8 Data Management
 - 3.8.1 Contractor shall accept and send enrollment information electronically on a bi-weekly basis in the 834 file format required by HIPAA to the City's benefits vendors. Enrollment information shall be sent to vendors within four business days of receipt.
 - 3.8.2 Contractor shall comply with the City's Payroll File specifications and receive electronic transmission of the Payroll File on a bi-weekly basis. The Contractor shall accept the Payroll File Layout. See Section 2.3 Exhibits 6 and 17.
 - 3.8.3 Contractor shall develop an electronic transmission of data interface that complies with the specifications agreed upon by the City and the City's benefit vendors to provide enrollment information and updated eligibility records electronically on a bi-weekly basis in the 834 file layout format required by HIPAA. Contractor shall send the full or change 834 HIPAA File within five (5) business days of receiving the Payroll File. Contractor will be responsible for the accuracy and timeliness of all information submitted to the City's benefit vendors.
 - 3.8.4 Contractor will receive 834 HIPAA File transmission error reports within 24 hours of sending the bi-weekly 834 HIPAA File to the City's benefit vendors.
 - 3.8.5 Contractor shall reconcile and resolve transmission errors within two (2) business days.
 - 3.8.6 Contractor shall work with each of the City's benefit vendors to determine the structure coding for the 834 HIPAA File setup. The structure coding would determine the Covered Person's "category" for reporting purposes.
 - 3.8.7 Contractor shall accept both the Covered Persons' Social Security Number and identifier determined by the City.

SCOPE OF WORK – Version 1.1 Revised 032019

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

- 3.8.8 Contractor shall be able to assign an identifier other than the Covered Persons' Social Security Number and employee identification number.
- 3.8.9 Contractor shall use deduction codes as defined by the City. See Section 2.3, Exhibits 5 and 13.
- 3.8.10 Eligibility Contractor shall provide real time web-based eligibility access to City Benefits staff, to view current benefit elections and dependent information. Contractor shall be able to calculate and track the employee's premium on a bi-weekly basis for Basic Life, Supplemental Life, Short Term Disability, and Long-Term Disability based on rate, annual salary, volume, and age.
- 3.8.11 Contractor shall maintain a secure delivery system for the purposes of transmitting and receiving confidential electronic information with the City and its benefit vendors, including paper documentation on a daily basis.
- 3.8.12 Contractor shall maintain a minimum of 36 months enrollment and eligibility data for all benefits on each Covered Person.
- 3.8.13 Contractor shall have a disaster recovery program in place to ensure the integrity of data in case of a disaster.
- 3.9 Maintenance of Records
 - 3.9.1 Contractor shall maintain all manual and automated records/files for a period of three (3) years after the termination or expiration of the Contract. All records/files, either manual or automated, are the property of the City. Under no circumstances may the Contractor keep, transfer or purge these records without authorization from the City.
 - 3.9.2 Notice of location for the timely and orderly transfer of records/files will be given by the City verbally and/or in writing 30 calendar days prior to the transfer.
 - 3.9.3 The transfer shall occur within the 30-day limit established by the City.
 - 3.9.4 All records/files will be transferred electronically. Contractor shall provide a report of all records/files transferred.
- 3.10 Reconciliations
 - 3.10.1 Employees
 - 3.10.1.1 Contractor shall receive the City's Payroll File and Termination Report three (3) to five (5) days after each pay period ends. See Section 2.3, Exhibits 6 and 20G.
 - 3.10.1.2 Contractor shall update their eligibility system.
 - 3.10.1.3 Contractor shall produce an Employee Exception Report by comparing the Contractor's eligibility data against the Payroll File for each employee benefit program and coverage level. See Section 2.3, Exhibits 6 and 20H.
 - 3.10.1.4 Contractor shall send the Employee Exception Report electronically to the City within three business days of receiving the Payroll File. See Section 2.3, Exhibit 20H.
 - 3.10.2 Retirees
 - 3.10.2.1 Contractor will receive the City's monthly Retiree All Enrollees Report by the 25th of each month. See Section 2.3, Exhibit 14.
 - 3.10.2.2 Contractor shall update their eligibility system.
 - 3.10.2.3 Contractor shall produce a Retiree Exception Report by comparing the Contractor's eligibility data against the Retiree All Enrollees Report for each retiree benefit program and coverage level. See Section 2.3, Exhibit 20I.
 - 3.10.2.4 Contractor shall send the Retiree Exception Report electronically to the City within three business days of receiving the Retiree All Enrollees Report.
- 3.11 Reporting
 - 3.11.1 Contractor shall provide all reports, as determined by the City, in Excel or Word format.
 - 3.11.2 Contractor shall have reporting capabilities for all information provided by the City.

SCOPE OF WORK – Version 1.1 Revised 032019

CITY OF AUSTIN PURCHASING OFFICE REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008 BENEFIT PLAN ADMINISTRATION SERVICES

- 3.11.3 Contractor shall provide ad hoc reports as requested by the City at no additional cost.
- 3.11.4 Contractor shall submit all reports/files containing social security numbers or protected health information through secured email or uploaded to a secured website.

4.0 ELIGIBILITY AND SELF-PAY PROGRAM ADMINISTRATION

Background

The City processes paper enrollment forms for employees on a weekly basis. Retiree forms are processed on a daily basis. On an annual basis, employees and retirees have the option to participate in Open Enrollment via online, telephone or by completing a paper enrollment form. The City's system does not track dependent data. The eligibility vendor will be required to key and track all benefits and dependent data into their system from enrollment forms. The City will consider an option for a paperless process if it is a cloud-based system that interacts with the City's payroll system, Banner.

4.1 Administration Requirements

- 4.1.1 The City determines eligibility and the Contractor shall agree to abide by the City's policies and procedures regarding eligibility and coverage effective dates for all Covered Persons. See Section 2.3, Exhibit 1, 3, and 11.
- 4.1.2 Contractor shall accept, key and track enrollment forms. See Section 2.3, Exhibits 2, 4, 12, and 16. Proposer can propose the City's current paper enrollment process or a paperless option.
- 4.1.3 Contractor shall maintain enrollment forms and be available upon City request.
- 4.1.4 Contractor shall update their eligibility system within two business days of any information received.
- 4.1.5 Contractor shall key and track additional information not included on the enrollment forms. See Section 2.3, Exhibit 24.
- 4.1.6 Contractor shall perform duplicate coverage validity checks for all Covered Persons based on the City's eligibility rules.
 - 4.1.6.1 An individual is not eligible to be covered as both an employee and a retiree, for the same benefit.
 - 4.1.6.2 An individual is not eligible to be covered as both an employee and retiree and as a dependent of an employee or retiree, for the same benefit.
 - 4.1.6.3 An individual is not eligible to be covered as a dependent of more than one employee or retiree for the same benefit.
- 4.1.7 Eligibility Age
 - 4.1.7.1 Dependents over age 26 - Contractor shall notify employees and retirees when their dependents are reaching age 26. Notification letters shall be sent to employee's and retiree's mailing address 60 days prior to the dependent reaching the age limit. On average, the City has 38 dependents that receive the monthly notification. Instructions on how to obtain an Application to Request Continuation of Coverage for a Disabled Dependent Child at Age 26 and Over form, if dependent is disabled, should be included. See Section 2.3, Exhibit 19.

4.2 Employee Eligibility – A bi-weekly Payroll File is sent to the eligibility vendor three days after the pay period ends. The City has a bi-weekly average of 50 new employees, 40 terminations, and 70 benefits enrollment changes. See Section 2.3, Exhibit 6.

- 4.2.1 The City keys each benefit by Employee Benefits Deduction Code into an employee's record and the Payroll file reports each benefits deduction code separately with applicable employee and employer amount for each employee. See Section 2.3, Exhibits 5 and 6.
- 4.2.2 Employees with Qualified Medical Child Support Orders (QMCSO)

SCOPE OF WORK – Version 1.1 Revised 032019

CITY OF AUSTIN PURCHASING OFFICE REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008 BENEFIT PLAN ADMINISTRATION SERVICES

- 4.2.2.1 The City will send Contractor a Dependent Addition and Change Form For Court-Mandated Health Coverage Form following notification from the Attorney General's Office. See Section 2.3, Exhibit 8.
 - 4.2.2.2 Contractor shall change the dependent's relationship status to QD for Qualified Dependent.
 - 4.2.2.3 Contractor shall change the relationship code on the 834 medical file and populate the dependent's name and the employee's address fields. The custodial parent's name and address fields shall be populated when received.
 - 4.2.2.4 Contractor shall key a separate address for dependent(s), if needed per QMCSO.
- 4.2.3 Contractor shall load information received from the City's Payroll File into the Contractor's eligibility file system. See Section 2.3, Exhibit 6.
- 4.2.4 Contractor shall comply with the City's Payroll File specifications to send and/or receive electronic transmission of payroll data on a bi-weekly basis. See Section 2.3, Exhibit 6.
- 4.2.5 Contractor shall key and track benefits for employees who have returned back to employment with the City and have benefits as both an employee and a retiree.
- 4.3 Retiree Eligibility – A monthly Retiree Enrollment Report is sent to the vendor the 25th of each month. The City has a monthly average of 30 new retirees and 65 benefits enrollment changes. Post 65 retirees are required to enroll in Medicare Parts A and B, if enrolled in a City medical plan. Medicare is the primary medical insurer. Benefit deductions are processed monthly through the Pension Systems.
 - 4.3.1 The City keys each benefit by benefits deduction code into a retiree's record and the monthly Retiree Enrollment Report reports each benefits deduction code separately with applicable retiree amount for each retiree. See Section 2.3, Exhibits 13 and 20B.
 - 4.3.2 Contractor shall key and track benefits and view history for retirees who have returned back to employment with the City and have benefits as both a retiree and employee.
- 4.4 Wellness Eligibility – A bi-weekly Wellness Eligibility File is sent to the City's wellness vendor.
 - 4.4.1 Contractor shall key and track benefits for employees, retirees, and dependents enrolled in the City's wellness programs. See Section 2.3, Exhibit 16.
 - 4.4.2 The bi-weekly file will consist of active employees. The department number will be included as part of the data capture.
 - 4.4.3 Contractor shall use the alternate field for the Social Security Number.
- 4.5 Self-Pay Administration Services – This includes benefit premium collections for retirees whose monthly retirement annuity is not sufficient to pay for benefits coverage selected. Self-Pay also includes benefit premium collections for surviving family members who elect to continue coverage after the on the job death of an employee. As of December 2018, there were 66 Self-Pay retirees enrolled in at least one benefit and 2 surviving family members.
 - 4.5.1 Administration Requirements – Contractor shall work with the City to develop financial reports that meet the City's requirements.
 - 4.5.2 Premiums
 - 4.5.2.1 Monthly premiums are due the first of the month.
 - 4.5.2.2 Contractor shall collect, and deposit payments received on a weekly basis to the City's ZBA.
 - 4.5.2.3 Contractor shall generate deposit records and weekly reports in accordance with the City's guidelines.
 - 4.5.3 Contractor shall have a process for resolving complaints/problems.
 - 4.5.4 Contractor shall provide Self-Pay Covered Persons payment coupon books.
 - 4.5.5 Contractor shall prepare and mail late payment letters on the 18th of the month to the retiree's mailing address.
 - 4.5.6 Contractor shall terminate benefits the 5th day of the following month due to non-payment.

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

4.6 Reporting

- 4.6.1 Eligibility Contractor shall provide an Employee, Retiree, and COBRA Enrollment Report by the 10th of each month in an electronic format to the City Contract Manager. See Section 2.3, 20A, 20B, and 20C.
- 4.6.2 Eligibility Contractor shall provide a monthly Age Limit Report listing all dependents who will be reaching age 26. Contractor shall send an electronic copy of the report in an Excel format to the City Contract Manager 60 days prior to dependent who will be reaching the age limit and must be separated by employee and retiree. See Section 2.3, Exhibit 20D.
- 4.6.3 Eligibility Contractor shall provide a monthly Age 65 Medicare Eligibility Report listing all retiree Covered Persons enrolled in medical coverage who will be reaching age 65. Report shall be sent to the City 90 days prior to the Covered Person reaching age 65. See Section 2.3, Exhibit 20E.
- 4.6.4 Eligibility Contractor shall provide a bi-weekly Duplicate Coverage Report. Contractor shall send an electronic copy of the report in an Excel format to the City Contract Manager. See Section 2.3, Exhibit 20F.

5.0 OPEN ENROLLMENT ADMINISTRATION

Background

The Open Enrollment process is a passive enrollment. The annual Open Enrollment begins mid-October and ends mid-November each plan year. During the 2018 - 2019 Open Enrollment employees participated in online enrollment 8,943 times, retirees 1,586 times, and surviving dependents 47 times. An individual may participate and make changes to their benefits as often as they deem necessary during Open Enrollment. Approximately 900 calls are received during Open Enrollment.

- 5.1 Contractor shall begin working with the City in January of 2020 for the Open Enrollment that will begin mid-October 2020.
- 5.2 Coverage Information Statement (Statement).
 - 5.2.1 Contractor shall produce an annual Statement for each employee, retiree and surviving dependent and suppress statements as determined by the City.
 - 5.2.2 Contractor shall customize the Statement per the City specifications to include at a minimum:
 - 5.2.2.1 Information about Open Enrollment.
 - 5.2.2.2 Name, mailing address, date of birth, and City assigned department, division and location code.
 - 5.2.2.3 Covered Persons current elections and dependent data with new premiums.
 - 5.2.3 Employee Statements
 - 5.2.3.1 Statements shall include calculated premiums for basic life, supplemental life, short term disability and long-term disability coverage using annual salary, age, and rates provided by the City. See Section 2.3 Exhibits 21J.
 - 5.2.3.2 Statements shall be printed, stuffed and sorted by department, division, location and in alphabetical order. Additional documents may be provided by the City.
 - 5.2.3.3 Statements shall be printed and delivered by the date determined by the City.
 - 5.2.3.4 Contractor shall provide electronic Statements to the City on flash drives or uploaded in a secured website for the City and each department to access. This includes one copy with all Statements and copies for each department. The City currently has 36 departments.
 - 5.2.4 Retiree and Surviving Dependent Statements
 - 5.2.4.1 Statements shall include retiree's mailing address and the City's return mailing address on back of Statements. See Section 2.3, Exhibit 21L.

SCOPE OF WORK – Version 1.1 Revised 032019

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

- 5.2.4.2 Statements shall be sorted by zip code and then in alphabetical order.
- 5.2.4.3 Statements shall be printed and delivered to the mail distribution vendor by the date determined by the City.
- 5.2.4.4 Contractor shall provide all electronic Statements to the City on flash drive or uploaded in a secured website for the City to access.
- 5.3 Open Enrollment Web-based Enrollment System.
 - 5.3.1 Contractor shall customize the website per the City's specifications.
 - 5.3.2 Contractor shall use the City's Employee and Retiree Benefits Deductions Codes for data management, maintenance of records, reconciliations, and reporting. See Section 2.3, Exhibits 5 and 13.
 - 5.3.3 City benefits staff must be able to test the website prior to the beginning of Open Enrollment.
 - 5.3.4 Website must be fully operational the first day of Open Enrollment and be available 24 hours a day, 7 days a week during Open Enrollment. City benefits staff should be able to utilize the system during and after Open Enrollment.
 - 5.3.5 Website must have a secure log in.
 - 5.3.5.1 Contractor shall assign administrative access for benefits staff to make benefit changes during Open Enrollment and after Open Enrollment ends to key late enrollment changes.
 - 5.3.5.2 Contractor shall use the City's Employee Identification Number (EIN) and a portion of the Social Security Number for log in access for employees.
 - 5.3.5.3 Contractor shall use a system generated Personal Identification Number (PIN) for log in access for retirees and a portion of the Social Security Number for log in access for retirees.
 - 5.3.6 Website must include personal information; list all benefits available, current benefits elected, Covered Persons for each benefit, and new premiums.
 - 5.3.7 Website shall have the capability to:
 - 5.3.7.1 Update personal information.
 - 5.3.7.2 Add or drop coverage for themselves or dependents for any benefit. System must validate eligibility for benefit elections (such as benefit category status, dependent age, marital and domestic partner status).
 - 5.3.7.3 Confirm and print confirmation of benefit elections.
 - 5.3.7.4 Include internet links to: presentation schedules, video presentations, coordinator list, benefit forms and documents, and links to interactive calculators for life insurance coverage options, disability insurance, and FLEXTRA accounts and other links determined by the City.
 - 5.3.7.5 Date/time stamp changes made by user.
 - 5.3.7.6 Upload dependent eligibility documentation.
 - 5.3.7.7 Provide participants the option to print or email a copy of the Confirmation Statement to their email address.
 - 5.3.8 Telephone Open Enrollment
 - 5.3.8.1 Contractor shall provide a toll-free telephone number for English and Spanish speaking participants.
 - 5.3.8.2 Contractor shall have the Telephone Open Enrollment available Monday through Friday, 8 a.m. to 5 p.m., Central Time, the date Open Enrollment begins and continues through date determined by the City.
 - 5.3.9 Confirmation Statement.
 - 5.3.9.1 Contractor shall provide a Confirmation Statement for employees, retirees, and surviving dependents participating in Open Enrollment and suppress statements as

SCOPE OF WORK – Version 1.1 Revised 032019

CITY OF AUSTIN PURCHASING OFFICE REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008 BENEFIT PLAN ADMINISTRATION SERVICES

- determined by the City. See Section 2.3 Exhibits 21K, 21M, and 21N. Confirmation Statement shall:
- 5.3.9.1.1 Include all information from the Coverage Information Statement.
 - 5.3.9.1.2 Include the date/time the change was made as well as the method (telephone or online).
 - 5.3.9.1.3 Be mailed within two (2) business days of the Contractor's receipt of enrollment or change information.
 - 5.3.9.1.4 Be mailed to mailing address each time a benefits change is made during Open Enrollment.
- 5.3.9.2 Contractor shall mail Passive Confirmation Statements to retirees **not** participating in Open Enrollment.
 - 5.3.9.3 Contractor shall provide all statements on a flash drive or uploaded in a secure website, separated by employees and retirees. Retiree statements must be separated by retirement system, self-pay, and surviving dependents.
- 5.3.10 Open Enrollment Files
- 5.3.10.1 Contractor shall send the Open Enrollment 834 file to the City's benefit vendors as determined by the City. The Open Enrollment 834 file transmission error reports must be reconciled and resolved with the City's benefit vendors within two days of receipt.
 - 5.3.10.2 Contractor shall send the Employee Open Enrollment file to the City's Payroll and Benefits department as determined by the City. The Contractor shall provide this in the layout determined by the City. See Section 2.3 Exhibit 7.
 - 5.3.10.3 Contractor shall send the Retiree Open Enrollment file to the City and to COAERS, FRS, and APRS. Retiree file must be separated by each retirement system, self-pay, and surviving dependents. Contractor shall provide this in the layout determined by the City. See Section 2.3, Exhibit 15.
- 5.3.11 Open Enrollment Reports
- 5.3.11.1 Contractor shall produce a daily Demographic Changes Report separated by employee, retiree and surviving dependents. See Section 2.3, Exhibit 21A.
 - 5.3.11.2 Contractor shall produce a weekly Online Participation Report listing benefit elections, date/time of change, user, separated by employees, retirees, and surviving dependents. See Section 2.3, Exhibit 21B.
 - 5.3.11.3 Contractor shall produce a Retiree Changes Report for Retiree Drug Subsidy (RDS) listing current year benefit elections compared to Open Enrollment medical benefit elections, within three weeks after Open Enrollment ends. Report must be separated by retirement system, self-pay, and surviving spouses. See Section 2.3, Exhibit 21C.
 - 5.3.11.4 Contractor shall produce a QMCSO Report listing employees who dropped their court ordered dependents during Open Enrollment within two weeks after Open Enrollment ends. See Section 2.3, Exhibit 21D.
 - 5.3.11.5 Contractor shall produce a Duplicate Coverage Report listing Covered Persons with duplicate coverage for any benefit, within two weeks after Open Enrollment ends. See Section 2.3, Exhibit 21E.
 - 5.3.11.6 Contractor shall produce a Plan Migration Report within two weeks after Open Enrollment ends. See Section 2.3, Exhibit 21F.
 - 5.3.11.7 Contractor shall produce a Dependent Verification Report listing newly enrolled dependents that did not upload dependent eligibility documentation. See Section 2.3, Exhibit 21G.

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

6.0 COBRA ADMINISTRATION

Background

COBRA Administration includes continuation of coverage for Covered Persons as mandated by Federal law. As of December 2018, there were 49 COBRA participants with 83 COBRA Covered Persons enrolled in at least one COBRA benefit. The current Contractor is paid per enrolled COBRA participant and per letter issued. Over the last year, the City had an average of 218 qualifying event letters produced monthly.

6.1 Administration Requirements

- 6.1.1 Contractor shall work with the City to develop financial reports that meet the City's requirements.
- 6.1.2 Contractor shall administer COBRA in accordance with federal regulations.
- 6.1.3 Contractor shall maintain eligibility and enrollment records/history for all Covered Persons.
- 6.1.4 Contractor shall send and/or receive enrollment information and updated eligibility records electronically on a bi-weekly basis to the City's benefit vendors.

6.2 Communications

- 6.2.1 Contractor shall send all required COBRA notices as mandated by federal regulation.
- 6.2.2 Contractor shall maintain electronic logs and letters for initial notices and qualifying event letters in a format specified by the City.
- 6.2.3 Contractor shall be liable for any damages incurred if the Contractor fails to notify a qualified beneficiary within the timelines required by federal regulations, provided the City has notified the Contractor as required.

6.3 Premiums

- 6.3.1 Contractor shall collect, and deposit premium payments received on a weekly basis.
- 6.3.2 Contractor shall generate deposit records and weekly reports in accordance with the City's guidelines.
- 6.3.3 Contractor shall pay premium payments collected to appropriate City benefit vendors in accordance with City guidelines.

6.4 Contractor shall have a process for resolving complaints/problems and a formal appeals process.

6.5 Contractor shall mail payment coupon books to Covered Persons.

6.6 Contractor shall mail guides and enrollment forms provided by the City.

6.7 Contractor shall prepare and mail late payment and termination of benefits letters.

6.8 Contractor shall terminate benefits coverage due to nonpayment as mandated by COBRA.

6.9 Contractor shall prepare and mail the annual Open Enrollment materials to Covered Persons as determined by the City.

6.10 Contractor shall provide electronic copies of completed enrollment forms as requested by the City.

7.0 CONTINUATION OF COVERAGE FOR DOMESTIC PARTNERS ADMINISTRATION (CCDP)

Background

CCDP is administered similar to COBRA coverage. As of December 2018, there was one CCDP participant enrolled in CCDP coverage. The current Contractor is paid per enrolled CCDP participant and per letter issued.

7.1 Administration Requirements

- 7.1.1 Contractor shall work with the City to develop financial reports that meet the City's requirements.
- 7.1.2 The City determines eligibility and the Contractor shall agree to abide by the City's policies and procedures regarding eligibility and coverage effective dates for CCDP.

SCOPE OF WORK – Version 1.1 Revised 032019

CITY OF AUSTIN PURCHASING OFFICE REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008 BENEFIT PLAN ADMINISTRATION SERVICES

- 7.1.3 Contractor shall maintain eligibility and enrollment records/history for all Covered Persons.
- 7.1.4 Contractor shall send and/or receive enrollment information and updated eligibility records electronically on a bi-weekly basis to the City's benefit vendors.
- 7.2 Communications
 - 7.2.1 Contractor shall send all letters as agreed to by the City to qualified beneficiaries.
 - 7.2.2 Contractor shall send CCDP notices within 14 days of receiving notification from the City or the City's eligibility vendor.
 - 7.2.3 Contractor shall maintain electronic logs and letters for initial notices and qualifying event letters in a format specified by the City.
- 7.3 Premiums
 - 7.3.1 Members enrolling in CCDP have 45 days from date of coverage election to pay the amount owed.
 - 7.3.2 Monthly premiums are due the first of the month.
 - 7.3.3 Contractor shall collect, and deposit premium payments received on a weekly basis.
 - 7.3.4 Contractor shall generate deposit records in accordance with the City's guidelines
 - 7.3.5 Contractor shall pay premium payments collected to appropriate City benefit vendors in accordance with City guidelines.
 - 7.3.6 Contractor shall terminate benefits the 30th day of the month due to non-payment.
- 7.4 Contractor shall have a process for resolving complaints/problems.
- 7.5 Contractor shall mail payment coupon books to Covered Persons.
- 7.6 Contractor shall mail guides and enrollment forms provided by the City.
- 7.7 Contractor shall prepare and mail late payment and termination of benefits letters.
- 7.8 Contractor shall prepare and mail the annual Open Enrollment materials to Domestic Partners.
- 7.9 Contractor shall provide electronic copies of completed enrollment forms as requested by the City.

8.0 SELF-FUNDED DENTAL PLAN CLAIMS ADMINISTRATION

Background

The Employee Dental Assistance Plan is based on a fixed fee Table of Allowances. This plan has no network. Employees may choose any dentist. The City is not considering a dental plan network. As of December 2018, there were 12,700 employees and 15,600 dependents enrolled in the Employee Dental Assistance Plan. Section 2.3, Exhibits 23A - C.

- 8.1 Administration Requirements
 - 8.1.1 Contractor shall work with the City to develop financial reports that meet the City's requirements.
 - 8.1.2 The City determines eligibility and Contractor shall agree to abide by the City's policies and procedures regarding eligibility and coverage effective dates for all Covered Persons. See Section 2.3, Exhibit 1.
 - 8.1.3 Contractor shall maintain eligibility and claims records/history for all Covered Persons.
 - 8.1.4 Contractor shall use dental deduction codes. See Section 2.3, Exhibit 5.
 - 8.1.5 Contractor's customer service line shall be fully operational January 1, 2020.
- 8.2 Employee Dental Assistance Plan Identification Cards (ID Cards):
 - 8.2.1 Contractor shall mail ID Cards to the Covered Persons' mailing address no later than ten business days from notice of eligibility.
 - 8.2.2 ID Cards that are generated for Open Enrollment must be received by Covered Persons on or before December 31st of each plan year.
- 8.3 Claims Administration.

SCOPE OF WORK – Version 1.1 Revised 032019

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

- 8.3.1 Contractor's system must receive and adjudicate dental claims electronically in accordance with the Employee Dental Assistance Plan Document.
- 8.3.2 Contractor shall issue an electronic or paper Explanation of Benefits (EOB).
- 8.3.3 Contractor shall provide recovery services for overpayments and subrogation. The Contractor agrees to reimburse City for overpayments when identified, not when collected.
- 8.3.4 Contractor shall provide dental claims run-out administration for claims incurred 12 months prior to the termination date of the contract. All fees must be quoted on a mature basis.
- 8.3.5 Contractor shall provide internal financial safeguards to prevent employee fraud.
- 8.3.6 Contractor shall administer Coordination of Benefits.
- 8.3.7 Contractor shall have a process for resolving complaints/problems and a formal appeals process.
- 8.3.8 Contractor shall work with current vendor to receive historical claims data transfers to include: lifetime orthodontia accumulators or any codes that have a 5-year limitation of coverage such as dentures, bridges, crowns, or orthodontia appliances.
- 8.4 Table of Allowances
 - 8.4.1 Contractor shall provide the City, on an annual basis, new, updated and deleted American Dental Association (ADA) codes with applicable allowances.
 - 8.4.2 Contractor's system shall allow the Table of Allowances to be customizable.
- 8.5 Claims Filing
 - 8.5.1 Contractor shall verify eligibility for Covered Persons.
 - 8.5.2 Contractor shall process claims according to the City's Dental Assistance Plan Document. See Section 2.3, Exhibit 22.
 - 8.5.3 Contractor shall reimburse Orthodontia Care only if the member's treatment plan began after being covered under the Plan. Orthodontia Care expenses are paid only as the work progresses and receipts are submitted for reimbursement.
 - 8.5.4 Contractor shall provide dental claim forms for employees to file for reimbursement on dental services via paper form and have available to access on Contractor's website.
 - 8.5.5 Contractor shall process claims within 7-10 days of receipt of a complete claim.
- 8.6 Contractor shall provide Certificates of Creditable Coverage upon request for all Covered Persons whose coverage under the City sponsored dental plan ends. Contractor shall keep electronic files of all HIPAA Certificates of Creditable Coverage issued and make available upon request by the City.
- 8.7 Reporting
 - 8.7.1 Contractor shall provide quarterly and annual utilization reports and must have the capability to generate ad hoc reports to the City. Reports must break out utilization by employees, COBRA participants, CCDP participants, dependents and total utilization by type of service. Reports are due by the 30th day of the end of each period for which the data is reported. Contractor shall also have the capability to capture, analyze and report the data by each City department.
- 8.8 Fiduciary Responsibility
 - 8.8.1 Contractor shall be the named fiduciary with respect to:
 - 8.8.1.1 Performing premium payment processing.
 - 8.8.1.2 Performing fair and impartial review of initial appeals.
 - 8.8.1.3 Performing fair and impartial review of final appeals.
 - 8.8.1.4 Construe and interpret the terms of the Plan.
 - 8.8.1.5 Determine the validity of charges submitted under the Plan.
 - 8.8.1.6 Make final, binding determinations concerning the availability of Plan benefits.

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

9.0 FLEXTRA ADMINISTRATION

Background

FHC and FDC programs are available to employees in accordance with IRS Section 125 regulations. Covered Persons may use the 2 ½ month carryover (March 15th) allowing participants to incur eligible expenses for the previous plan year. Prior year claims must be submitted by May 31st. FHC and FDC maximums will be based on IRS limits determined every year. Claim reimbursements are issued weekly on Friday for claims received by Wednesday. Reimbursements are made by check or direct deposit (ACH) according to the employee's preference. As of December 2018, there were 3,323 employees enrolled in the FHC program and 339 employees enrolled in the FDC program.

FHC and FDC balances for 2016 and 2017

		Annual Election	Payroll Posted	Claimed	Paid	Forfeiture Balance
2016	FHC	\$4,752,782.09	\$4,622,219.30	\$4,782,152.65	\$4,492,246.16	\$129,973.14
2016	FDC	\$1,091,412.80	\$1,064,544.03	\$1,505,045.34	\$1,050,257.85	\$14,286.18
2017	FHC	\$4,731,563.83	\$4,562,189.29	\$4,710,394.68	\$4,426,749.43	\$135,439.86
2017	FDC	\$1,191,263.94	\$1,163,155.04	\$1,618,867.01	\$1,132,681.22	\$30,473.82

9.1 Administration Requirements

- 9.1.1 Contractor shall work with the City to develop financial reports that meet the City's requirements.
- 9.1.2 The City determines eligibility and the Contractor shall agree to abide by the City's policies and procedures regarding eligibility and coverage effective dates for all Covered Persons. See Section 2.3, Exhibit 1.
- 9.1.3 Contractor shall maintain eligibility and claims records/history for all Covered Persons.
- 9.1.4 Contractor shall use FHC and FDC deduction codes. See Section 2.3, Exhibit 5.
- 9.1.5 The City may consider moving to the IRS Rollover FHC Program.

9.2 Contractor's system shall:

- 9.2.1 Track FHC and FDC amounts per pay period and annual elections.
- 9.2.2 Process claims for FHC and FDC accounts in accordance with the City's plan documents and federal law and regulations. See Section 2.3, Exhibit 18.
- 9.2.3 Process claims and payments weekly.
- 9.2.4 Process manual FHC and FDC claims incurred in the carryover periods as allowed by IRS regulations.
- 9.2.5 Provide printed account balance statements to employees at a minimum of four times per year as designated by the City. Statements must be mailed to employee's mailing address.
- 9.2.6 Provide FHC and FDC account claims run-out services for up to six months after the termination of the contract for claims incurred for the prior year account balance. All fees must be quoted on a mature basis.

9.3 Contractor shall have a process for resolving complaints/problems and a formal appeals process.

9.4 Contractor shall generate monthly deposit records and reconcile the accounts in accordance with the City's guidelines.

9.5 Contractor shall provide employees enrolled in the FHC program a debit/credit card (Card).

- 9.5.1 Contractor shall load the Card with the employee's annual elected amount and if applicable, previous year carry over amount.
- 9.5.2 Contractor shall mail the Card to Covered Persons' mailing address no later than ten business days from notice of eligibility.

SCOPE OF WORK – Version 1.1 Revised 032019

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

- 9.5.3 Employees who enroll for the first time or add dependents to the FHC programs during Open Enrollment must receive the Card on or before December 31st of each year.
- 9.6 Contractor shall provide a website for Covered Persons to view their FHC and FDC claims status and account balance.
- 9.7 Contractor shall provide the capability for employees to upload claims with proper documentation online.
- 9.8 Contractor shall provide FHC and FDC paper claim forms for employees to submit claims with proper documentation for reimbursement.
- 9.9 Contractor shall allow participants with an FHC balance after December 31st, a carryover period through March 15th of the next year to incur eligible expenses and submit prior year claims for reimbursement by May 31st.
- 9.10 Contractor shall return money not claimed by the deadlines to the City.
- 9.11 Contractor shall not allow participants enrolling into the HSA during Open Enrollment with an FHC balance, a carryover period. Eligible expenses must be incurred by December 31st and prior year claims submitted for reimbursement by May 31st. Money for eligible expenses not incurred/claimed by the deadlines will be forfeited. CDHP w/HSA participants are not eligible to enroll in FHC.
 - 9.11.1 Contractor shall provide an FHC Balance Report for CDHP Participants using the CDHP Participants Report provided by eligibility vendor. Section 2.3, Exhibits 21H and 21I.

10.0 CHILD CARE ASSISTANCE PROGRAM ADMINISTRATION (CAP)

Background

Employees that meet eligibility requirements qualify for child care financial assistance. Claims are processed for payments to state regulated child care providers up to the allowed weekly amount per child, not to exceed the maximum annual amount as determined by the City.

The City allows employees to enroll throughout the year and recertifies all participants on an annual basis during November and December.

Employees who are approved for CAP can also participate in the FDC program. However, the combined annual amounts for the two programs cannot exceed the annual FDC amount allowed by IRS regulations. As of December 2018, there were 100 employees with 200 dependents approved for the CAP program.

10.1 Administration Requirements

- 10.1.1 Contractor shall work with the City to develop financial reports that meet the City's requirements.
- 10.1.2 Contractor shall maintain eligibility and claims records/history for each program participant included on the approved eligibility list provided by the City.
- 10.1.3 Contractor shall be able to accept the City's Child Care Assistance Program forms. See Section 2.3, Exhibits 9 and 10.
- 10.1.4 Contractor shall key, track, and have reporting capabilities for all information received from the City's benefits staff and enrollment forms. See Section 2.3, Exhibits 9 and 10.

10.2 Claims

- 10.2.1 Contractor shall process claims for CAP in accordance with the City's plan.
- 10.2.2 Contractor shall process claims and payments twice a month.
- 10.2.3 Contractor shall provide payments to child care providers up to the amount allowed per child.
- 10.2.4 Contractor shall accept the City of Austin Child Care Assistance Program 2019 Disbursement Request form from employees or child care providers. See Section 2.3, Exhibit 10.

SCOPE OF WORK – Version 1.1 Revised 032019

**CITY OF AUSTIN PURCHASING OFFICE
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

10.3 Reporting

- 10.3.1 Contractor shall work with the eligibility vendor to compare the employee's FDC annual election and the annual CAP approved amount to ensure the combined annual total does not exceed the FDC maximum allowed by IRS regulations as determined by the City.

11.0 PROCUREMENT CANCELLATION

- 11.1 The City has the right to cancel this solicitation at any time.



**ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS**

Solicitation: RFP 5800 LNH3008

Addendum No: 5

Date of Addendum: 3/21/19

This addendum is to incorporate the following changes to the above referenced solicitation:

I. Questions:

- Q1. Please advise the current HRIS system that the City uses and if there are plans to replace it within the next three (3) years.
- A1. The City does not have a Human Capital Management System. The City does plan to issue RFP for a system in the coming years. Currently, the City uses Banner, as the Payroll and HRIS system for payroll and benefits deductions.
- Q2. Describe in detail the process the City uses to enroll its employees in benefits at Open Enrollment as new hires.
- A2. New hires complete a paper Benefits Enrollment Form. The elected benefits are keyed in the City's payroll system. A copy of the form is sent to the eligibility vendor who then keys the elected benefits in their system. The eligibility vendor then sends a bi-weekly 834 Eligibility file to the benefit vendors to upload.

For Open Enrollment, employees enroll in and/or make benefit changes online. Paper Benefits Enrollment Forms are also completed to make Open Enrollment changes. Open Enrollment data is uploaded into eligibility vendor's system. The eligibility vendor sends an Open Enrollment to the City, the City uploads the file.

- Q3. Could you please send us the most recent 24 months of claim and enrollment experience for the City of Austin dental RFP?
- A3. Claims - The exhibits in the RFP includes claims data in Exhibit 23A City of Austin Dental Assistance Plan – 2017 Dental Claims and Exhibit 23B City of Austin Dental Plan – 01012018 through 11302018 Dental Claims. Exhibit 23B2 City of Austin Dental Assistance Plan – 2018 Dental Claims includes December data and has been added to provide 24 months of claims data.

Enrollment – Please see Exhibit 26 attached regarding dental enrollment counts for Active, Dependents and COBRA from March 2017 through February 2019.

- Q4. Please elaborate on the significance of the information provided in Exhibit 24: Information Not Included on Benefits Enrollment Forms. Is this information that is not included today that you would like to ensure is included in the future? Is it information not included today that you would like to keep excluded from benefit enrollment forms? Does "benefit enrollment form" refer to the

- form employees leverage to elect benefits, or rather, refer to a statement/form provided post-enrollment summarizing benefits elected?
- A4. The information is not included on the Benefits Enrollment form; however, this information is currently tracked, and the contractor will be expected to receive and continue to track the information.
- Q5. The Background section of 0500 Scope of Services, Section 4.0 states that the City's system does not track dependent data. Where is dependent data maintained currently?
- A5. The dependent data is maintained with the current Eligibility and Self Pay Program Administrator that receives this information via a paper enrollment form for both actives and retirees.
- Q6. In 0500 Scope of Services, Section 4.0 regarding the statement "the eligibility vendor will be required to key and track all benefits and dependent data into their system from enrollment forms," is keying in this data only applicable for net-new enrollments, or is this how all existing enrollments/data will be provided to the new vendor?
- A6. For employees, the contractor receives information via payroll on a bi-weekly basis and also a paper enrollment form. Retiree information is received via paper enrollment on a monthly basis. All dependent data is received via paper enrollment.
- Q7. Scope of Services item "4.2.5, contractor shall key and track benefits for employees who have returned back to employment with the City and have benefits as both an employee and a retiree" seems to be in conflict with Scope of Services item 4.1.6.1, "An individual is not eligible to be covered as both an employee and a retiree, for the same benefit". Please clarify.
- A7. The City offers retirees medical, dental, vision, and HRA. Retirees who return to work as an employee and enrolled in retiree benefits have the option to enroll in employee benefits but cannot be enrolled in the same benefits, i.e. cannot enroll in medical as a retiree and an employee or as a retiree and a dependent on the active plan.
- Q8. In 0500 Scope of Services, Section 4.4.1, please confirm what information is sent to the wellness vendor on the eligibility file feed, and what information they would return to us. For example, would they return us a file feed indicating which employees have completed the finger stick screening and/or health assessment?
- A8. Fields sent to Biometric Screening Vendor: employee ID, first/last name, DOB, gender, Dept. code and an alternate ID number/SSN. A file feed would not be returned.
- Q9. Regarding Scope of Work, Section 4.0, Background paper enrollment form processing, what is the typical volume of paper enrollments per month and/or per year?
- A9. Refer to 4.2 and 4.3 in Section 0500 Scope of Work.
- Q10. Regarding Scope of Work, Section 4.0, Background, are paper enrollment forms only leveraged during open enrollment, or also for new hires/life events?
- A10. Paper enrollment forms are used for open enrollment, new hires and life events.
- Q11. Regarding Scope of Work, Section 4.0, Background, approximately what percent of total enrollments occur on paper versus via telephone or self-service?
- A11. 100% of new hire and life events.
- Q12. Regarding Scope of Work, Section 4.0, Background, how would the paper forms be sent to the vendor for processing/entry?
- A12. Refer to 3.8.11 in Section 0500 Scope of Work. Current vendor has a daily pick up of enrollment forms from City location. However, this is not a requirement, the City and the Contractor will determine a method that is suitable for both parties such as pick-up or secure upload.

- Q13. Regarding Scope of Work, Section 4.0, Background, are you open to our best practices (file feeds in place of keying information, online enrollment year-round instead of just during annual enrollment)?
- A13. The City is open to best practices proposed by Contractor.
- Q14. For Scope of Work Section 3.0, Item 3.6.2, please provide further detail regarding the requirements of the administrative manual to be provided within 30 days of the meeting.
- A14. For eligibility and Open Enrollment services, the contractor(s) shall provide an administrative manual regarding dates of file transfers to vendors, keying deadlines for 834 files, contact lists and processes that may be new to the City.
- Q15. For Section 0400, Item 8B are credit card payments for invoices a mandatory requirement?
- A15. Per Section 8B of Section 0400, Supplemental Purchase Provisions, The Contractor must agree to accept payment by either credit card, check or Electronic Funds transfer (EFT) for all goods and services provided under the Contract. If you take exception to this item, please complete Section 0630 Exceptions form for the City to review.
- Q16. On Section 0815 Living Wages Contractor Certification, we are asked to list each employee and their wage; we consider employee salaries to be confidential and would prefer to provide a blanket statement attesting to meeting the minimum wage, rather than listing each individual's salary separately. Is this acceptable?
- A.16 Yes
- Q17. In Section 0500 Scope of Work, Item 3.5.4, how many different languages will need to be provided?
- A17. At minimum, the City requires English and Spanish. Please refer to 5.3.8.1 regarding Telephone Open Enrollment.
- Q18. In Section 0500 Scope of Work, Item 3.8.2, would the City be open to sending the "payroll" file more frequently so we can make sure the system is current in terms of New Hires, Life Event changes, terminations and retirements?
- A18. No, the City's Payroll file is sent on a bi-weekly basis.
- Q19. Will you accept the RFP to be consecutively numbered by section?
- A19. The response should be submitted in the proposal format requested in Section 0600 Proposal Preparation Instructions and Evaluation Factors, Item 1.
- Q20. In Section 0500 Scope of Work, Section 4.2, is it the City's intent for the benefits administration partner to determine eligibility within our system?
- A20. The City determines eligibility and the Eligibility and Self-Pay Program Administrator is expected to adhere to the City's eligibility criteria.
- Q21. In Section 0500 Scope of Work, Section 4.2.2.3, regarding QMCSO, is the City qualifying all medical support orders or would they prefer the benefits administration provider to qualify them? If the City will be qualifying the MCSOs, is it the intent that the benefits administrator will provide administration support?
- A21. The City will qualify medical support orders. The contractor will be responsible for passing the information via 834 to the City's medical vendor.
- Q22. In Section 0500 Scope of Work, Section 4.3.1, is the City asking for a detailed payroll deduction file to be sent to the appropriate pension administration provider aligned with a specific frequency (i.e. weekly, bi-weekly, semi-monthly, monthly)?
- A22. For Actives – Bi-weekly, City payroll provides Eligibility and Self-Pay Program Administrator a payroll file. Annually, Eligibility and Self-Pay Program Administrator provides a file to City payroll following Open Enrollment.

For Retirees – On an annual basis, the Eligibility and Self-Pay Program Administrator will send the City a file following Open Enrollment to reconcile. Once reconciled, the Eligibility and Self-Pay Program Administrator will send a final file to City and the three-pension system.

- Q23. In Section 0500 Scope of Work, Section 4.4, is the City asking for the benefits administrator to enroll employees, retirees and dependents in the wellness program? What exactly is the intent of this section?
- A23. The City reports a member's enrollment into Tobacco and Diabetes wellness programs to the Eligibility and Self-Pay Program Administrator. The Eligibility and Self-Pay Program Administrator codes appropriate account structure to the City's medical vendor for the purposes of turning on or off copay free medications covered under the wellness programs. These copay free medications are triggered by the medical vendor's account structure.
- Q24. In Section 0500 Scope of Work, Section 4.4.5, is the City open to incorporating electronic notifications as an alternative method to mail depending on the employee's designated preference?
- A24. Yes, the City would consider alternatives, but the contractor will be required to have a mail option.
- Q25. In Section 0500 Scope of Work, Section 5, are all enrollments passive or is this section reflecting on the 2019 annual enrollment?
- A25. Passive Enrollment pertains to the Open Enrollment process.
- Q26. In Section 0500 Scope of Work, Section 5, it is mentioned that approximately 900 calls were taken during annual enrollment. Would you be able to provide a break down as to the type of calls?
- A26. No, a breakdown of the type of calls is not available. Typical calls would be to enroll via the telephonic enrollment system, verify current enrollment and FLEXTRA elections. There are approximately 900-1000 calls.
- Q27. In Section 0500 Scope of Work, Section 5.3.1, is there an expectation that each of the agencies have their own branding?
- A27. No agency branding is not required. The City logo will be utilized.
- Q28. In Section 0500 Scope of Work, Section 5.3.5.3, which system generates the PIN? Is it the expectation that the benefits administration system will generate the PIN? Is the City open to considering different means of default system log in?
- A28. The Eligibility and Self-Pay Program Administrator generates the PIN. It is the expectation that the system will generate a PIN. Yes, the City is open to considering different means of default system log in.
- Q29. In Section 0500 Scope of Work, Section 5.3.9.1.3, our system enables self-printing of confirmation statements during annual enrollment as well as during new hire enrollment timelines and life event enrollment timelines. Is the City of Austin open to considering this approach as alternative to mailing statements aligned with each change and at the end of the enrollment windows?
- A29. Yes, the City would consider.
- Q30. In Section 0500 Scope of Work, Section 5.3.9.3, our system attaches the confirmation statement to each enrollee's record. Would the City consider this approach as opposed to saving to a flash drive or uploading to a secure site?
- A30. Prior to Open Enrollment Coverage Information Statements are produced, showing individual current enrollment with rate increases for the coming year. For the Coverage Information Statements, a flash drive or uploading to a secure site is needed for the benefits staff and

department open enrollment coordinators. For Confirmation Statements, if the City has administrator access to view enrollment the City would not require flash drive or uploading for Confirmation Statements.

- Q31. In Section 0500 Scope of Work, Section 6.5, would the City consider electronic payment invoices as opposed to mailing coupon books for COBRA participants?
- A31. For COBRA enrollees that agree to electronic payment invoices the City would agree, however coupon books must be an option if the enrollee prefers this method.
- Q32. In Section 0500 Scope of Work, Section 7.1.2, what is the purpose of the City determining eligibility for Continuation of Coverage for domestic partners as opposed to the benefits administration system determining eligibility based on the City's rules?
- A32. The City determines eligibility for all benefits.
- Q33. In Section 0500 Scope of Work, Section 7.1.2, are you open to the administrator's recommended approach of the administrator determining eligibility based on your rules?
- A33. No, the City determines eligibility. If a member is considered eligible an enrollment form will be provided.
- Q34. In Section 0500 Scope of Work, Section 10.2.3, how many childcare providers are there?
- A34. The number of childcare providers will vary based on enrollment. Employees enrolled in the Child Care Assistance Program have the flexibility of utilizing any daycare provider of their choice.
- Q35. In Section 0500 Scope of Work and Exhibits 1 - 24, current state processes are currently based on paper enrollment (e.g. election of coverage, dependent eligibility determinations for Disabled dependents, Wellness Enrollment, etc.). Confirm if the City is open to exploring process enhancement opportunities are not based on paper.
- A35. The City would consider.
- Q36. In Exhibits 1 – 24, confirm if the City is open to revisiting current state enrollment communications/confirmations based on service provider's best practices.
- A36. The City would consider.
- Q37. In Section 0500 Scope of Work and Exhibits 1 – 24, current payroll processes appear to include the request for reporting of both election and deduction information. Confirm if the City is open to exploring administrative best practice opportunities where the service provider is the single source of election data.
- A37. The City's current payroll system houses employee coverage level and deduction information that is sent bi-weekly to Eligibility and Self-Pay Program Administrator Contractor via the City's payroll file. No other election information is included in the City's system or payroll file. Contractor shall comply with the City's Payroll process.
- Q38. In Section 0500 Scope of Work, Item 1.0, 2.3 and Exhibits 23, 23A and 23B, please provide additional details for requested support for "claims administration" for the service provider as claims administration support would generally be provided by the dental carrier.
- A38. Dental Exhibits referenced apply to the requested service for Self-Funded Dental Plan Claims Administration, i.e. the dental carrier. Eligibility and Self-Pay Program Administrator and Open Enrollment Administration shall work with any or all of the successful Administration Service Contractor(s) listed in this Scope of Work for eligibility purposes to include the Self-Funded Dental Plan Claims Administrator.
- Q39. In Section 0500 Scope of Work, Section 2.1, benefits offering includes Health Savings Account however support for administration not included in Section 1.0 - Purpose. Please provide any requested support for these benefits (including eligibility file and/or integration with carriers).

- A39. The City offers HSA for employees enrolled in the CDHP. Administration includes sending information to medical vendor on enrollment and the amount of City contribution based on enrollment. Currently the City provides two levels of contributions Employee Only and Employees with Dependents. This is a separate file sent to medical vendor.
- Q40. In Section 0500 Scope of Work, Section 2.2, benefits offering includes Health Reimbursement Account, however, support for administration not included in Section 1.0 - Purpose. Please provide any requested support for these benefits (including eligibility file and/or integration with carriers).
- A40. The City offers HRA for retirees enrolled in the CDHP administration includes sending information to medical vendor on enrollment and the allocated amount of HRA contribution based on years of services.
- Q41. In Section 0500 Scope of Work, Section 2.2.2, confirm requested support for pension system integration for the purposes of benefit deductions (e.g. one file to the City, one file to each pension system, etc.).
- A41. For Actives – Bi-weekly, City payroll provides Eligibility and Self-Pay Program Administrator a payroll file. Annually, Eligibility and Self-Pay Program Administrator provides a file to City payroll following Open Enrollment.

For Retirees – On an annual basis, the Eligibility and Self-Pay Program Administrator will send the City a file following Open Enrollment to reconcile. Once reconciled, the Eligibility and Self-Pay Program Administrator will send a final file to City and the three-pension system.

- Q42. In Section 0500 Scope of Work, confirm purposes of the FHC Balance Report for CDHP Participants.
- A42. The FHC balance report is to show employees who have enrolled in the Medical plan option CDHP/wHSA during open enrollment for January 1 and who also have a FHC balance. The City will reach out to these employees to inform them of the deadline of December 31 to use their FHC money on eligible expenses because the FHC money will not carry over effective January 1.
- Q43. In Exhibit 15, confirm the purpose of the Retiree Open Enrollment File. We would anticipate service provider as the system of record for election information and dual maintenance of information may not be required/would not be recommended.
- A43. Retiree Open Enrollment Files are used to populate City database and the three-pension systems database for elections for the plan year following Open Enrollment. This is for retiree annuity deductions.
- Q44. In Section 0500 Scope of Work, Section 3.10.1.4 and Exhibit 20H, confirm the purposes of the bi-weekly Employee Exception Report. We would anticipate service provider as the system of record for election information and dual maintenance of information may not be required/would not be recommended.
- A44. Exception reports show variances between City enrollment forms, payroll and Eligibility and Self-Pay Program Administrator.
- Q45. In Section 0500 Scope of Work Section 3.10.2.3 and Exhibit 20I, confirm the purposes of the monthly Retiree Exception Report. Future state would anticipate service provider as the system of record for election information and dual maintenance of information may not be required/would not be recommended.
- A45. Exception reports show variances between City enrollment, Eligibility and Self-Pay Program Administrator enrollment and the three pension systems.
- Q46. In Exhibit 21A, confirm the purposes of the Demographic Changes Report.

- A46. Demographic Changes report include address, telephone number, and email changes that need to be keyed in the City's payroll system.
- Q47. In Exhibit 21C, confirm recipient of Retiree Changes Report for RDS (e.g. several components vary from standard RDS file layouts). Service provider seek to gain deeper understanding of your ongoing process and requested support for RDS Subsidy.
- A47. Retirees in the RDS initial list who had Open Enrollment medical plan changes will need to be updated in CMS's RDS system. Open Enrollment Administrator will provide Retiree Changes Report for RDS with list of retirees who made changes to the medical plan.
- Q48. In Exhibit 21G, confirm the purpose of the Dependent Verification Report.
- A48. Open Enrollment Administrator shall produce listing of newly enrolled dependents who did not upload proper dependent eligibility documentation. Refer to 5.3.11.7 in Section 0500 Scope of Work.
- Q49. In Section 0500 Scope of Work, Section 3.6.6, confirm requested support for claims processing as defined in item 3.6.6. Is this strictly related to the dental plan, if bidding on that service?
- A49. If only bidding on the dental plan then yes, claims processing applies to dental. Other claims processing includes FLEXTRA and Child Care Assistance Program.
- Q50. In Section 0500 Scope of Work, Section 3.6.7, clarify requested support for "cooperate with any successful contractor(s) regarding claims and eligibility data transmissions."
- A50. To produce a seamless process, Contractor shall work with any or all of the successful Administration Service Contractor(s) listed in this Scope of Work for eligibility purposes. For claims purposes, Contractor shall work with successful Dental, FLEXTRA and Child Care Assistance Contractor(s).
- Q51. In Section 0500 Scope of Work, Section 3.9, please provide additional details around when, and to which data, items 3.9.2 - 3.9.4 would apply (termination or expiration of contract only)?
- A51. All manual and automated records/files are applicable and apply at termination or expiration of contract.
- Q52. In Section 0500 Scope of Work, Section 3.10.1.1, confirm purpose of the Termination Report? Generally, terminations are supplied as a part of the ongoing data file from the HRIS system rather than separately reported. Are new hires and ongoing employment status changes reported separately from termination data?
- A52. Employee terminations are not centralized, each department manages employee terminations. At times, employees are not terminated timely therefore this report indicates employees terminated during a pay period or those terminated retroactively.
- Q53. In Section 0500 Scope of Work, Section 3.10.2.1, confirm the purpose of the Retiree All Enrollees Report. Generally, retirement information included as a part of ongoing file from the HRIS system (appears perhaps separate rather than integrated reporting for the purposes of retirement). Are new hires and ongoing employment status changes reported separately from Retirement data?
- A53. This report provides benefits coverage information the City has on file for retirees for the current month. The Eligibility and Self-Pay Program Administrator will compare this report against their eligibility system to produce a benefits coverage discrepancy report.
- Q53a. In Section 0500 Scope of Work, Section 3.10.2.1. Generally, retirement information included as a part of ongoing file from the HRIS system (appears perhaps separate rather than integrated reporting for the purposes of retirement). Are new hires and ongoing employment status changes reported separately from Retirement data?
- A53a. Retiree's pension system deductions are not included in the ongoing payroll file.

- Q54. In Section 0500 Scope of Work, Section 4.3, confirm if Medicare Part A and B enrollment assumed based on age or if other criteria/integration points with CMS or other third party (e.g. for Medicare eligibility due to disability) leveraged to validate.
- A54. City requires retirees to enroll in Medicare based on age and disability.
- Q55. In Section 0500 Scope of Work, Section 4.4.2, wellness eligibility section notes requirements for inclusion of department number. Confirm this data will be provided from the City to the service provider as a part of the ongoing HRIS file.
- A55. The City will provide department data as part of the ongoing HRIS file.
- Q56. In Section 0500 Scope of Work, Section 4.4.1, confirm if the City is open to exploring automation of Wellness elections as opposed to manual keying process described. Provide additional details around why the current state is required.
- A56. The City would consider.
- Q57. In Section 0500 Scope of Work, Section 4.4.3, confirm if the "alternate field" for SSN described within the Wellness section refers to the Employee ID provided by The City.
- A57. "Alternate field" for SSN refers to Social Security Number, Employee ID is also provided by the City and included on the file.
- Q58. In Section 0500 Scope of Work, Section 4.5.1, does the City have a sample or known required fields that would be requested for inclusion as a part of the financial reports for Self-Pay Administration Services?

A58.

1.	Summary Report - a summary of what benefits the retiree is paying for, i.e. SSN, Name, Medical Plan deduction code, medical premium paid, dental plan deduction code, dental premium paid, vision plan deduction code, vision premium.
2.	HMO Report –report will provide a list of all the retirees who paid their HMO medical premium. Report will provide SSN, Name, Medical Plan deduction code, and medical premium paid.
3.	PPO Report –report will provide a list of all the retirees who paid their PPO medical premium. Report will provide SSN, Name, Medical Plan deduction code, and medical premium paid.
4.	CDHP Report –report will provide a list of all the retirees who paid their CDHP medical premium. Report will provide SSN, Name, Medical Plan deduction code, and medical premium paid.
5.	PPO Dental Report –report will provide a list of all the retirees who paid their PPO dental premium. Report will provide SSN, Name, Dental Plan deduction code, and dental premium paid.
6.	DHMO Dental Report –report will provide a list of all the retirees who paid their DHMO dental premium. Report will provide SSN, Name, Dental Plan deduction code, and dental premium paid.
7.	Vision Report - report will provide a list of all the retirees who paid their vision premium. Report will provide SSN, Name, vision Plan deduction code, and vision premium paid.

- Q59. In Section 0500 Scope of Work, Section 4.5, confirm if the City is open to discussing the service provider's best practices as it pertains to Self-Pay Administration Services.
- A59. The City would consider additional options.
- Q60. Is the City open to completely removing paper enrollment forms (100 of enrollments online or through the Service Center)?
- A60. The City would consider. See Addendum No. 4, C2.

- Q61. In Section 0500 Scope of Work, Section 4.6.2, discuss how the Age Limit Report is utilized current state and if the City is open to discussing the service provider's best practices as it pertains to dependents reaching the plan's limiting age.
- A61. The Age Limit Report is utilized to identify dependents approaching the age eligibility limit. The City would consider additional options.
- Q62. In Section 0500 Scope of Work, Section 4.6.3, discuss how the Age 65 Medicare Eligibility Report is utilized current state and if the City is open to discussing the service provider's best practices as it pertains to dependent's reaching the plan's limiting age.
- A62. This report is utilized to generate letters for retirees reaching Medicare Eligibility. The City's benefits office sends letters in advance requesting Medicare information from retirees enrolled in the City medical benefits to accurately reflect records.
- Q63. In Section 0500 Scope of Work, Section 4.6.4, discuss how the bi-weekly Duplicate Coverage Report is utilized current state and if the City is open to discussing the service provider's best practices as it pertains to dependents reaching the plan's limiting age.
- A63. This report is utilized to ensure that employees, retirees and dependents are not enrolled in a benefit more than once, i.e. an employee is not enrolled in basic life insurance under their own plan and dependent life insurance under their spouses plan that may also work for the City.
- Q64. In Section 0500 Scope of Work, Section 5.1, based on the Open Enrollment information provided it appears as though Open Enrollment for changes effective 1/1/2020 will be performed in the current system with ongoing services with the service provider beginning January 1, 2020 with the first Annual Enrollment support beginning October 2020 for the 2021 plan year. Does the City have an understanding of when final election information for the January 1, 2020 Go Live may be available for the purposes of conversion testing and Go Live support?
- A64. Correct. Open Enrollment Administrator houses the Open Enrollment election data and has the final election information. Files for Open Enrollment are sent to vendors the first week of December for 1/1/2020 elections.
- Q65. In Section 0500 Scope of Work, Section 5.2.1, provide examples of when the City may request for enrollment statements to be suppressed.
- A65. Coverage information statements are generated prior to Open Enrollment. Those that may be suppressed are for the Affiliated Employer Groups or temporary employees.
- Q66. In Section 0500 Scope of Work, Section 5.2.21 and 5.2.4.1, is the City open to exploring use of the service providers recommended Open Enrollment communications?
- A66. Yes, as long as all fields and information on current communications are included. City must have ability to modify content.
- Q67. In Section 0500 Scope of Work, Section 5.3.9.1.1 and 5.3.9.2.2, is the City open to exploring use of the service provider's recommended coverage statements?
- A67. Yes, as long as all fields and information on current statements are included. City must have ability to modify content.
- Q68. In Section 0500 Scope of Work, Section 5.3.10.3 and 5.3.11, confirm purpose of the Retiree Open Enrollment file (e.g. informational to understand benefit elections or for the purposes of updating City systems with election data). If the latter, is the City open to discussing the service provider's recommended practice on system of record for election data? Similar theme applies for the Open Enrollment Reports.
- A68. Retiree Open Enrollment reports from 5.3.10.3 are for the purpose of updating City and Retirement Systems. Information must be received in the layout determined by the City in order for systems to be updated and deduction amounts processed accordingly.

Purpose of Open Enrollment Reports from 5.3.11 include informational, audits, and updating City systems. City is open to discussing the service provider's recommended practice on system of record for election data.

- Q69. In Section 0500 Scope of Work, Section 5.3.11.4, confirm current process for disenrollment of dependents identified as requiring coverage due to a QMCSO and if the City is open to exploring service provider administrative best practices to limit the need for QMCSO Report.
- A69. The current Open Enrollment system does not prevent employees from disenrolling dependents with court ordered coverage. QMCSO Report is required for audit purposes. City is open to exploring service provider administrative best practices to limit the need for QMCSO Report.
- Q70. In Section 0500 Scope of Work, Section 6.1.1, Does the City have a sample report or requested data elements for including in the financial reports related to COBRA?
- A70. Data elements include member name, id, COBRA plan, carrier plan election and copy of the deposit slip. Must be able to provide months covered in a defined period and can be more than one report.
- Q71. In Section 0500 Scope of Work, Section 7.1.1, does the City have a sample report or requested data elements for including in the financial reports related to COBRA?
- A71. Data elements include name, id, DP Continuation plan carrier, plan election, and copy of the deposit slip. Must be able to provide months covered in a defined period and can be more than one report.
- Q72. Please confirm if Banner is the HRIS and payroll systems for integration purposes?
- A72. Yes
- Q73. Please confirm the ACA vendor currently supporting reporting and transmittal today?
- A73. ACA reporting and transmittal are not part of this solicitation. City provides reporting information to vendor, (Sovos) who generates forms for reporting and transmittal.
- Q74. Is eligibility tracking in scope for this bid? If so, how many variable-hour employees should we assume within our pricing proposal?
- A74. For purposes of ACA, eligibility tracking is not in scope for this bid.
- Q75. How many FEINs should we include as part of our ACA reporting and transmittal pricing?
- A75. ACA reporting and transmittal are not part of this solicitation.
- Q76. How many 1095C documents were generated for the most recent reporting year?
- A76. 1095C documents generated are not part of this solicitation.
- Q77. Are there part-time employees that receive a limited benefits option (i.e. life insurance only)? If so, how many employees fall within this population?
- A77. Part-time employees are included in enrollment census/counts provided. Part-Time employees have access to all benefits provided by the City with the exception of disability this is not provided to employees that work less than 20 hours. The City subsidizes benefits differently for Part-time employees therefore enrollment is lower for those individuals. Part-Time employees are employees that work less than 20 hours or 20-29 hours.
- Q78. Understanding that there are 7,530 eligible retirees and there are 5,784 enrolled in one benefit, can you outline if the remaining 1,746 retirees will be supported on the platform and what level of service is required on this population? Do they have any level of benefit available (i.e. life insurance only)?
- A78. All eligible retirees have the retiree life insurance benefit and may participate in the Annual Open Enrollment. Eligible retirees must be supported on the platform for monthly life insurance reporting and access to the annual Open Enrollment process.

- Q79. Please provide additional service center stats, such as: total calls, total minutes, call disposition or reasons for participant inquiries, etc.
- A79. A breakdown of the service center stats is not available. CompuSys Erisa is currently the vendor for all services, therefore receive calls regarding, FLEXTRA, Dental, and Open Enrollment. The City takes the day to day calls from employees however issues regarding FLEXTRA and Dental are routed to CompuSys Erisa.
- Q80. Please confirm all current vendors today and the integration expectations for each (type of file/connection, frequency, etc.)
- A80. Current vendors related to this solicitation include list below.

BlueCross BlueShield of Texas (medical, BCBS uses Prime Therapeutics for prescriptions and HSA Bank for HSA), CompuSys/ERISA Group Inc. (dental FLEXTRA, CAP, COBRA, CCDP, Eligibility & Self-Pay, and Open Enrollment), Davis Vision (vision), Cigna (disability and retiree dental), Dearborn National Life (life), SunLife Financial (retiree dental), Deer Oaks (EAP), ARAG (legal), Onsite Health Diagnostics (wellness), Empower (deferred compensation), City of Austin Employees' Retirement System, Austin Fire Fighters Relief and Retirement Fund, City of Austin Police Retirement System.

Refer to Section 0500 Scope of Work for integration expectations. No additional information will be provided as proposers must be prepared to handle changes to City vendors and integration specified in the Scope of Work.

- Q81. The census includes a population under the category Fringe. Is this an active population that should be included or is this an inactive population that is not eligible?
- A81. They are an active population. The category fringe refers to employees who are covering Domestic Partners or Domestic Partner's Children who do not qualify as dependents for federal income tax purpose.
- Q82. One of the required documents asks for vendor IDs. Is this the registration number we received when we registered in the portal or is there another place we can obtain this number?
- A82. On page 4 of the Offer Sheet, if you are currently a registered Vendor with the City of Austin, you would have a vendor registration/code to enter on that line. If you are not currently registered as a Vendor, you can enter N/A on the line. You do not have to be a registered vendor to submit a response. Registration is required during the award and contract process.
- Q83. How many hard copies of the proposal are you requesting?
- A83. Per the Offer Sheet, page 1 and Section 0600, page 1 "Submit one (1) original and one (1) electronic copy (USB flash drive) or your response. This information was also provided on Addendum No. 3, item A8.
- Q84. Could you please provide dental claims data through January 2019?
- A84. No, the City has provided information for 24 months through December 2018.
- Q85. In the document titled RFP_5800_LNH3008_ATT_5_v1, Offer Sheet, the table of requirements states that the following is needed: 0805 NON-SUSPENSION OR DEBARMENT CERTIFICATION. We are unable to locate this document. Would you please release this or direct us to its location?
- A85. Per page 3 of the Offer Sheet, standard bid documents are available online at https://www.austintexas.gov/financeonline/afo_content.cfm?s=67
- Q86. In Section 0500 Scope of Work, Item 3.0, please provide a list of the type of documents and the number of each produced and the percentage of each that were mailed by the current Benefits Administrator in 2018 and 2017.

- A86. The current Contractor sent Form 1099-MISC for both the Dental and Dependent Care Assistance accounts.

1099's	2017	2018
Dental	980	990
Dependent Care Assistance	63	69

- Q87. In Section 0500 Scope of Work, Item 3.0, General Requirements for all services, 3.5 Customer Services, 3.5.3, please provide the annual call volume managed by the current Benefits Administrator in 2018 and 2017.

- A87. Below is the annual call volume, the current Contractor administers for the City benefits (Dental, COBRA/CCDP/Self-Pay Retiree, FLEXTRA and enrollment).

2017 39,863

2018 40,819

Regarding telephone enrollment calls during the 4-week OE period, the current Contractor estimated the following calls from the annual call volume.

2017 700-800

2018 900-1000

- Q88. We have seen a trend in organizations striving to meet ADA accessibility with the websites their employees are accessing. Does the City have any WCAG preference or requirements for their benefits administration technology?

- A88. At this time, the City does not have a WCAG requirement.

- Q89. Does the City of Austin Benefits Administrators need access to the benefits portal year-round, or only during OE which is mid-October to mid-November?

- A89. The Eligibility and Self-Pay Program Administrator and the City Employee Benefits staff will need access to the benefits portal year-round.

- Q90. Will the City accept excel files in the flash drive/electronic submission?

- A90. Yes, the Excel spreadsheet and/or cells should be locked. Or the Excel file should be saved as or converted to a .pdf file.

- Q91. Are the performance guarantees applicable to all proposers? Can we propose our own alternative performance guarantees?

- A91. The performance guarantees apply to all Proposers. If you are not in agreement with any of the language included in the RFP, you should complete Section 0630 Exceptions form and submit it with your response.

- Q92. What is the current administration fee with CompuSys/Erisa Group Inc.?

- A92. A public information request must be submitted to request this information. A request can be submitted online at: [online PIR](https://online.pir.austintx.govqa.us/WEBAPP/rs/(S(egqjl2af5rln1jdgeqbxqvxf))/support/home.aspx?sSessionID=16289057KFQPJIRJMOUHEVVWADJGCNOSLTHNFDDF) or [https://online.pir.austintx.govqa.us/WEBAPP/rs/\(S\(egqjl2af5rln1jdgeqbxqvxf\)\)/support/home.aspx?sSessionID=16289057KFQPJIRJMOUHEVVWADJGCNOSLTHNFDDF](https://online.pir.austintx.govqa.us/WEBAPP/rs/(S(egqjl2af5rln1jdgeqbxqvxf))/support/home.aspx?sSessionID=16289057KFQPJIRJMOUHEVVWADJGCNOSLTHNFDDF)

- Q93. In Section 0500 Scope of Work, Section 7.2.3, would the City provide a sample letter for content and format review?

- A93. See Exhibit 27 included with this Addendum.

- Q94. Section 0900 of the RFP states the following: Due to insufficient subcontracting/subconsultant opportunities and/or insufficient availability of M/WBE certified firms, SMBR has assigned no subcontracting goals for this Solicitation. Being that SMBR has not assigned a subcontracting goal, would it be necessary to complete the requirements of meeting a good faith effort?

- A94. Questions on Section 0900 Subcontracting/Sub-Consulting Utilization Form and Section 0905 Subcontracting/Sub-Consulting Utilization Plan should be sent directly to SMBR at SMBRComplianceDocuments@austintexas.gov or please call SMBR at 512-974-7600.
- Q95. If the award for the Eligibility and Self-Pay Program Administration is made to a different vendor than the self-funded dental program, please confirm the Eligibility and Self-Pay Program Administration vendor would handle direct billing for the dental program.
- A95. Yes
- Q96. If the requested proposal materials will not fit into a single binder, is it permissible to split the requested tabs into multiple binders (labeled Volume I, Volume II, etc.)?
- A96. Yes
- Q97. If not proposing on a service, please confirm the applicable tab for that service (i.e. Tab 6 for Eligibility and Self-Pay Administrations) can be completed with a single sheet of paper that states "Not Proposing".
- A97. Yes
- Q98. Please confirm prospective carriers are allowed to ask the SMBR questions related to completing the applicable RFP forms after the deadline for questions to the primary and secondary RFP contacts and that this would not constitute a prohibited contact.
- A98. Questions to SMBR can be made after the RFP question deadline expires.
- Q99. Is electronic signature acceptable?
- A99. Responses should be returned with an original signature.
- Q100. Does the "Retiree All Enrollees Report" contains information about who is a retiree, and not actually any enrollment data?
- A100. The report lists retiree names and enrollment data.
- Q101. Do retirees lose eligibility for certain benefits, but do not gain eligibility for new benefits?
- A101. Yes, retirees lose eligibility to benefits only offered to employees such as self-insured dental, disability and supplemental life insurance. Retirees gain eligibility to two fully insured dental plans and a Health Reimbursement Account (HRA) if they enroll in the CDHP.
- Q102. Do retirees remain enrolled in a core set of benefits?
- A102. Retirees are offered medical, vision, dental, life insurance, HRA and wellness program benefits. Retirees have the option to opt in or out of benefits on an annual basis or due to a change in status.
- Q103. Confirm benefit offerings for retirees - do retirees become newly eligible for any benefits or different benefits (for example, a Medicare Advantage plan?)
- A103. Retirees are offered medical, vision, dental, life insurance, HRA and wellness program benefits. There are two dental plans offered that only retirees are newly eligible to choose from.
- Q104. Is Medicare Policy data tracked anywhere or needed for anything, such as driving rates?
- A104. The City of Austin tracks Medicare enrollment and the vendor will be required to track and transmit to the medical carrier.
- Q105. A statement is made about providing a report based on a comparison of "retiree benefit program and coverage level". Is the group maintaining enrollment data against which they wish to do an audit?
- A105. If referencing 3.10.2.3 of the 0500 Scope of Work, regarding the Retiree Exception Report, yes.
- Q106. Can you give us examples of the types of exceptions City of Austin works with today?

- A106. Examples may include: Benefit codes different, Tobacco Coverage different, Coverage Type Different, and/or Dropped Dependent during Open Enrollment online.
- Q107. How far retroactive can a member be flagged as a retiree? Or is the retirement date always relatively current compared to when it is entered into the system?
- A107. Benefits for retirees go into effect the first day of the following month following retirement. The retirement date is based on the date provided by the Pension Systems.
- Q108. Who is your primary broker for core benefits?
- A108. The City does not have a broker. Firms are not required have a broker represent them; the City will contract directly with the firm, not the agent/broker. However, if the City receives more than one response from any given firm, all responses from that firm will be rejected and the Contractor will be deemed non-responsive. No commissions or fees shall be paid to agents and brokers by the City.
- Q109. Does this firm also serve as a broker for the Voluntary offering?
- A109. No
- Q110. Does the City have a Voluntary strategy? If so, what is that strategy as it relates to this RFP?
- A110. No
- Q111. Does the Voluntary strategy include offsetting technology costs by way of Voluntary plans and commissions?
- A111. Not applicable.
- Q112. If not, is this something we should include in order to provide all options for technology solutions and pricing?
- A112. Not applicable.
- Q113. According to section 0200, Solicitation instructions, Item 7.i.; pricing shall be entered on the bid quote sheet in ink. Is it acceptable to type this information into this sheet?
- A113. Yes. A fillable Section 0610 Price Sheet was added in Addendum No. 1.
- Q114. What are the current Performance Guarantees in place for the City?
- A114. The same or similar to what is in the RFP.
- Q115. In Section 0500 Scope of Work, Section 9.1.2, what is the purpose of the City determining eligibility for FLEXTRA as opposed to the benefits administration system determining eligibility based on the City's rules?
- A115. The City determines eligibility for purposes of enrollment however the vendor will consider claims eligible for reimbursement.
- Q116. Will the City consider granting an extension?
- A116. The proposal due date is extended to April 4, 2019 at 2:00 PM, CST. Please see Section III. Extension in this addendum.
- Q117. In regard to the Scope of Work for 5.2 and 5.3.9, please provide additional information in regards to the Coverage Information Statements, Employee Statements, Retiree and Surviving Dependent statements, and confirmation statements. What are these?
- A117. Please see the Exhibit 21 – Open Enrollment Reports J – N.
- Q118. In regard to Attachment 9a Performance Measures-Eligibility and Self-Pay Administration, we have the following question: #6 Bi-weekly eligibility data transmission to City's benefit vendors- please confirm this is in regards to an outbound file to the City's vendors after the City's eligibility is received by us.

A118. Yes

Q119. In Section 0500 Scope of Work, Item 3.8.2, when referring to the “payroll” file, is this the same as an employee census file?

A119. These are two different files.

Q120. In regards to Attachment 9a Performance Measures-Eligibility and Self-Pay Administration, we have the following question: #8 Monthly enrollment summary report- What types of reports are being requested? Would the City be open to pulling reporting from the web or do you want them emailed?

A120. The City would consider.

Q121. In regard to Attachment 11 Performance Measures, Self-funded Dental Plan Claims Administration, we have the following question: #6 Eligibility system updated within two business days of any enrollment information received-What enrollment method will this group be using? (This is also within 9a and 9b)

A121. 834 File received from Eligibility and Self-Pay Program Administrator.

Q122. In regard to Attachment 9b Performance Measures-Open Enrollment Administration, we have the following question: #9 Open Enrollment 834 eligibility files- please confirm this is in regards to an outbound file to the City's vendors after the City's eligibility is received by us.

A122. Yes

Q123. In regard to Attachment 9b Performance Measures-Open Enrollment Administration, we have the following question: #10 Open Enrollment Files for Employees and Retirees-Is there a different expectation than the expectation for #9, open enrollment 834 eligibility file?

A123. Yes, the files utilized in No. 10 are not 834 files. The file format is a text file.

Q124. In regard to Attachment 9b Performance Measures-Open Enrollment Administration, we have the following question: #11 Open enrollment reports-please provide clarification in regard to what reports or detail the City is requesting?

A124. Please see Section 2.3 of Section 0500 Scope of Work as well as Exhibit 21 – Open Enrollment Reports.

Q125. Can the City provide clarification around the enrollment and eligibility scope of work; are we considered the contractor or vendor?

A125. In reference to this RFP, Contractor is the firm that will be awarded the Contract for the services requested. Vendor reference pertains to businesses currently under contract with the City of Austin.

Q126. Also, Addendum 3 indicates that the City will submit paper enrollment forms, however 3.8.3 indicates an 834 HIPAA File will be provided? Please clarify which option will be used.

A126. The City submits paper forms for the Contractor to key information not sent on bi-weekly payroll file. Contractor is required to key this information into their eligibility database prior to submission of the 834 HIPAA file.

II. **Extension:** The proposal due date is hereby extended until April 4, 2019 at 2:00 PM, CST. The proposal opening time is rescheduled to April 4, 2019 at 3:00 PM, CST.

III. ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

ACKNOWLEDGED BY:

Nisha Gandhi
Name


Authorized Signature

03/27/19
Date

RETURN ONE COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, WITH YOUR RESPONSE OR PRIOR TO THE SOLICITATION CLOSING DATE. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION.

EXHIBIT 26

**City of Austin Dental Assistance Plan - Active, Dependent, and COBRA Monthly Enrollment Count
March 2017 through February 2019**

	<u>2017</u>	<u>2018</u>	<u>2019</u>
January		12564	12830
February		12546	12837
March	12268	12635	
April	12292	12655	
May	12284	12656	
June	12443	12645	
July	12454	12677	
August	12435	12653	
September	12444	12653	
October	12418	12820	
November	12505	12811	
December	12606	12827	



CompuSys/Erisa Group, Inc.
13706 Research Blvd. Ste. 308
Austin, TX 78750

EXHIBIT 27

City of Austin Continuation of Coverage for Domestic Partners Election Notice

January 10, 2019

Dear :

This notice contains important information about your right to continue your health care coverage in the City of Austin (the Plan), as well as other health coverage alternatives that may be available to you through the Health Insurance Marketplace. Visit www.healthcare.gov for more Marketplace information.

To elect domestic partner continuation coverage, follow the instructions on the next pages to complete the enclosed Continuation of Coverage for Domestic Partners Election Form and submit it to our company.

If you do not elect domestic partner continuation coverage, your coverage under the Plan will end on **12/23/2018** due to:

- ☐ End of employment:
- ☒ Dissolution of domestic partnership.
- ☐ Death of employee.
- ☐ Entitlement to Medicare.
- ☐ Reduction in hours of employment.
- ☐ Loss of dependent child status.

Each person ("qualified beneficiary") in the category(ies) checked below is entitled to elect domestic partner continuation coverage, which will continue group health care coverage under the Plan for up to **18** months :

- ☐ Employee or former employee.
- ☒ Domestic partner or former domestic partner.
- ☐ Dependent child (ren) covered under the Plan on the day before the event that caused the loss of coverage.
- ☐ Child who is losing coverage under the Plan because he or she is no longer an eligible dependent under the plan.

If elected, domestic partner continuation coverage will begin on **12/24/2018** and can last until **5/31/2020**. You may elect any of the following coverage options for which you were previously enrolled:

BCBS PPO Domestic Partner only

Note: You may enroll for the Blue Cross Blue Shield PPO plan if you were previously enrolled with the HMO plan.

The cost of domestic partner continuation coverage is provided on the enclosed Election form. You do not have to send any payment with the Continuation of Coverage for Domestic Partners Election form; however, benefits **will not** be reinstated until payment has been received. Important additional information about payment for domestic partner continuation coverage is included in the pages following the Election form. To determine the amount due for your initial payment please call CompuSys/Erisa Group, Inc. and ask to speak with a continuation coverage representative.

To elect domestic partner continuation coverage, complete this Election Form and return it to our office. Under federal law, you must have 60 days after the date of this notice to decide whether you want to elect domestic partner continuation coverage under the Plan. The Election Form must be completed and returned by mail or fax.

There may be other coverage options for you and your family. When key parts of the health care law take effect, you'll be able to buy coverage through the Health Insurance Marketplace. In the Marketplace, you could be eligible for a new kind of tax credit that lowers your monthly premiums right away, and you can see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll. Being eligible for Continuation of Coverage for Domestic Partners does not limit your eligibility for coverage for a tax credit through the Marketplace. Additionally, you may qualify for a special enrollment opportunity for another group health plan for which you are eligible (such as a spouse's plan), even if the plan generally does not accept late enrollees, if you request enrollment within 30 days.

If you have any questions about this notice or your rights to continuation coverage, you should contact:

CompuSys/Erisa Group Inc.
13706 Research Blvd. Ste. 308
Austin, TX 78750
(512)250-9397 or (800)933-7472
Fax: (512)493-1314

Important Information About Your Continuation of Coverage for Domestic Partners Rights

What is continuation coverage?

Federal law requires that most group health plans (including this Plan) give employees and their families the opportunity to continue their health care coverage when there is a "qualifying event" that would result in a loss of coverage under an employer's plan. Depending on the type of qualifying event, "qualified beneficiaries" can include the employee (or retired employee) covered under the group health plan, the covered employee's spouse, and the dependent children of the covered employee.

Continuation coverage is the same coverage that the Plan gives to other participants or beneficiaries under the Plan who are not receiving continuation coverage. Each qualified beneficiary who elects continuation coverage will have the same rights under the Plan as other participants or beneficiaries covered under the Plan, including open enrollment and special enrollment rights.

How long will continuation coverage last?

In the case of a loss of coverage due to end of employment or reduction in hours of employment, coverage generally may be continued for up to a total of 18 months. In the case of losses of coverage due to an employee's death, divorce or legal separation, the employee's becoming entitled to Medicare benefits or a dependent child ceasing to be a dependent under the terms of the plan, coverage may be continued for up to a total of 36 months. When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the

date of Medicare entitlement. This notice shows the maximum period of continuation coverage available to the qualified beneficiaries.

Continuation coverage will be terminated before the end of the maximum period if:

- any required premium is not paid in full on time
- a qualified beneficiary first becomes covered, after electing continuation coverage, under another group health plan that does not impose any preexisting condition exclusion for a preexisting condition of the qualified beneficiary (note: there are limitations on plans' imposing a preexisting condition exclusion and such exclusions will become prohibited beginning in 2014 under the Affordable Care Act),
- a qualified beneficiary first becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing continuation coverage, or
- the employer ceases to provide any group health plan for its employees.

Continuation coverage may also be terminated for any reason the Plan would terminate coverage of a participant or beneficiary not receiving continuation coverage (such as fraud).

How can you extend the length of domestic partner continuation coverage?

If you elect continuation coverage, an extension of the maximum period of coverage may be available if a qualified beneficiary is disabled or a second qualifying event occurs. You must notify CompuSys/Erisa Group, Inc. of a disability or a second qualifying event in order to extend the period of continuation coverage. Failure to provide notice of a disability or second qualifying event may affect the right to extend the period of continuation coverage.

Disability

An 11-month extension of coverage may be available if any of the qualified beneficiaries is determined under the Social Security Administration (SSA) to be disabled. The disability has to have started at some time on or before the 60th day of domestic partner continuation coverage and must last at least until the end of the 18-month period of continuation coverage. You must notify CompuSys/Erisa Group, Inc. before the end of your 18th month of coverage ends. Each qualified beneficiary who has elected continuation coverage will be entitled to the 11-month disability extension if one of them qualifies. If the qualified beneficiary is determined to no longer be disabled under the SSA, you must notify the Plan of that fact within 30 days after that determination.

Second Qualifying Event

An 18-month extension of coverage will be available to spouses and dependent children who elect continuation coverage if a second qualifying event occurs during the first 18 months of continuation coverage. The maximum amount of continuation coverage available when a second qualifying event occurs is 36 months. Such second qualifying events may include the death of a covered employee, divorce or legal separation from the covered employee, the covered employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), or a dependent child's ceasing to be eligible for coverage as a dependent under the Plan. These events can be a second qualifying event only if they would have caused the qualified beneficiary to lose coverage under the Plan if the first qualifying event had not occurred. You must notify CompuSys/Erisa Group, Inc. within 60 days after a second qualifying event occurs if you want to extend your continuation coverage.

How can you elect domestic partner continuation coverage?

To elect continuation coverage, you must complete the Continuation of Coverage for Domestic Partners Enrollment Form and furnish it according to the directions on the form. Each qualified beneficiary has a separate right to elect continuation coverage. For example, the employee's spouse may elect continuation

coverage even if the employee does not. Continuation coverage may be elected for only one, several, or for all dependent children who are qualified beneficiaries. A parent may elect to continue coverage on behalf of any dependent children. The employee or the employee's spouse can elect continuation coverage on behalf of all of the qualified beneficiaries.

In considering whether to elect continuation coverage, you should take into account that you have special enrollment rights under federal law. You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your spouse's employer) within 30 days after your group health coverage ends because of the qualifying event listed above. You will also have the same special enrollment right at the end of continuation coverage if you get continuation coverage for the maximum time available to you.

How much does domestic partner continuation coverage cost?

Generally, each qualified beneficiary may be required to pay the entire cost of continuation coverage. The amount a qualified beneficiary may be required to pay may not exceed 102 percent (or, in the case of an extension of continuation coverage due to a disability, 150 percent) of the cost to the group health plan (including both employer and employee contributions) for coverage of a similarly situated plan participant or beneficiary who is not receiving continuation coverage. The required payment for each continuation coverage period for each option is described in this notice.

When and how must payment for domestic partner continuation coverage be made?

First payment for continuation coverage

If you elect continuation coverage, you do not have to send any payment with the Continuation of Coverage for Domestic Partners Enrollment form. However, you must make your first payment for continuation coverage not later than 45 days after the date of your election (this is the date the Election Notice is post-marked). If you do not make your first payment for continuation coverage in full not later than 45 days after the date of your election, you will lose all continuation coverage rights under the Plan. You are responsible for making sure that the amount of your first payment is correct. You may contact CompuSys/Erisa Group, Inc. to confirm the correct amount of your first payment.

Periodic payments for continuation coverage

After you make your first payment for continuation coverage, you will be required to make periodic payments for each subsequent coverage period. The amount due for each coverage period for each qualified beneficiary is shown on the enclosed Election Form. The periodic payments can be made on a monthly basis. Under the Plan, each of these periodic payments for continuation coverage is due on the first of each month for that coverage period. The Plan will send a booklet of payments due for these coverage periods.

Grace periods for periodic payments

Although periodic payments are due on the first of the month, you will be given a grace period of 30 days after the first day of the coverage period to make each periodic payment. Your continuation coverage will be provided for each coverage period as long as payment for that coverage period is made on or before the last business day of the month.

If you fail to make a periodic payment before the end of the grace period for that coverage period, you will lose all rights to continuation coverage under the Plan.

Your first payment and all periodic payments for continuation coverage should be sent to CompuSys/Erisa Group, Inc.

For more information

This notice does not fully describe continuation coverage or other rights under the Plan. More information about continuation coverage and your rights under the Plan is available in your summary plan description or from the Plan Administrator.

If you have any questions concerning the information in this notice, your rights to coverage, or if you want a copy of your summary plan description, you should contact:

CompuSys/Erisa Group, Inc.
13706 Research Blvd. Ste. 308
Austin, TX 78750.

For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, visit the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) website at www.dol.gov/ebsa or call their toll-free number at 1-866-444-3272.

Keep Your Plan Informed of Address Changes

In order to protect your and your family's rights, you should keep the Plan Administrator informed of any changes in your address and the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

Respectfully,

Jessica Parchesky
COBRA Coordinator
CompuSys/Erisa Group, Inc.
(512)250-9397
(800)933-7472



**ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS**

Solicitation: RFP 5800 LNH3008

Addendum No: 6

Date of Addendum: 3/27/19

This addendum is to incorporate the following changes to the above referenced solicitation:

I. Clarifications:

- C1. Attachments 9b, 10a and 10b have been replaced with the revised versions as listed below:
- ATTACHMENT 9b Performance Measures – Open Enrollment Administration - Version 1.1 – Revised 032719
 - ATTACHMENT 10a Performance Measures – COBRA Administration -Version 1.1 – Revised 032719
 - ATTACHMENT 10b Performance Measures CCDP Administration – Version 1.1 – Revised 032719

The revised attachments (listed above) are included with this Addendum and must be completed and submitted with your response. The revised attachments are replacements to the original Attachments 9b, 10a and 10b mentioned in all areas of the entire solicitation, RFP 5800 LNH3008, in which attachments are mentioned, including the Offer Sheet, Section 0500 Scope of Work and Section 0600 Proposal Preparation Instructions and Evaluation Factors.

- C2. Exhibit 28 has been added and included in this Addendum.

II. Questions:

- Q1. Is a performance bond applicable for a self-funded dental contract? If so, please confirm the required amounts for the performance bond would be calculated based on the amount of administrative charges and would exclude claims under a self-funded arrangement.
- A1. Yes, it is required for all contracts awarded for this solicitation. Per Section 0400, Supplemental Purchase Provisions, Item 5, a Performance Bond in an amount equal to 100% of the contract amount within 14 calendar days after notification of award.
- Q2. Attachments 9A-12, Measure 1 – How will this be measured?
- A2. Attachment 9b has been revised and replaced. Reference C1 in this Addendum. The City will measure timeliness, follow through, and accuracy regarding tasks needed to be completed to ensure services are in place before, as applicable, or by January 1, 2020.

Attachments 10a and 10b have been revised and replaced. Reference C1 in this Addendum. The City Employee Benefits staff will provide input on a quarterly and annual basis through an internal Client Satisfaction Survey regarding satisfaction with specific services the Contractor

provides. The City Benefits staff will establish a Client Satisfaction Survey with the Contractor during implementation. See Exhibit 28 included with this Addendum.

For Attachment 12, measure 2. The average speed to answer telephone calls will be measured by the Contractor self-reporting.

Q3. Attachments 9A-12, Measure 2 – How will this be measured?

A3. Attachment 9b has been revised and replaced. Reference C1 in this Addendum. The City Employee Benefits staff will provide input on a quarterly and annual basis through an internal Client Satisfaction Survey regarding satisfaction with specific services the Contractor provides. The City Benefits staff will establish a Client Satisfaction Survey with the Contractor during implementation. See Exhibit 28.

Attachments 10a and 10b have been revised and replaced. Reference C1 in this Addendum. In reference to Measure 2, Notification letters, the wording is revised from "...fee per report..." to "fee per letter..." See revised Attachments 10a and 10b.

For Attachment 12, measure 2. The average speed to answer telephone calls will be measured by the Contractor self-reporting.

Q4. Attachment 9a Eligibility & Self Pay Performance Measures, Measure 5 – Is this per occurrence or based on all receipts since the penalty is based on 1% of annual fee?

A4. Based on all receipts on a monthly basis.

Q5. Attachment 9a Eligibility & Self Pay Performance Measures, Measure 6 – Is the penalty based on the % in error of the total number of annual transmissions?

A5. Yes, on a bi-weekly basis.

Q6. Attachment 9b Open Enrollment Administration Performance Measures, Measure 6 – There are approximately 13,000+ benefit statements. One occurrence would be significantly less than the .25% assessed annually. Is this the correct interpretation of the measure?

A6. In referencing no. 6 Benefits Coverage Information Statements – 98% overall accuracy on sorting, printing, and delivery as determined by the City. See wording change in revised Attachment 9b.

Q7. Attachment 9b Open Enrollment Administration Performance Measures, Measure 7 – There are approximately 13,000+ Confirmation Statements. One occurrence would be significantly less than the .25% assessed annually. Is this penalty assessment correct as stated?

A7. In referencing no. 7 Confirmation of Coverage Statements – 98% overall accuracy on sorting, printing, and delivery as determined by the City. See wording change in revised Attachment 9b.

Q7. Attachment 9b Open Enrollment Administration Performance Measures, Measure 9 – There are currently 5 vendors to whom the 834 files are sent. The penalty is 10% of the base fee. If an error occurred with one vendor would the fee be 20% of the 10% of the annual fee?

A8. Yes

Q9. Attachment 9b Open Enrollment Administration Performance Measures, Measure 10 – Can you clarify this Performance Measure – One file is sent to COA Payroll and 3 files are sent to ERS, Fire Fighters and Police. How is the 10% annual fee determined?

A9. It would be 25% of the 10%.

Q10. Attachment 10A COBRA Administration Performance Measures, Measures 2 & 3. Please clarify. The penalty is based on reporting, but the measures relate to Notification Letters and Termination of coverage.

- A10. Wording change from "...fee per report..." to "fee per letter..." Reference Measure 2 and 3 in the revised Attachment 10a.
- Q11. 10 B CCDP Administration Performance Measures, Measure 2 & 3. Please clarify 2, and 3. The penalty is based on reporting, but the measures are related to Notification Letters and Termination of coverage.
- A11. Wording change from "...fee per report..." to "fee per letter..." Reference Measure 2 and 3 in the revised Attachment 10b.
- Q12. Attachment 11 Self-Funded Dental Administration Performance Measures, Measure 13 – Approximately 3500 Initial dental cards are sent out. However, this measure has the same penalty (i.e. .25% and .5% of annual fee) as Measure 14 which is looking at a higher number of cards issued (i.e. 32,000). Is this the correct interpretation of the measure?
- A12. Yes
- Q13. Attachment 11 Self-Funded Dental Administration Performance Measures, Measure 14 – Approximately 32,000 ID cards are issued. The penalty is .25% of the annual fee based on 100% being received before December 31st. Based on the Performance Measures, if 1 card, which is a miniscule number based on the 32,000, is not issued by the deadline, the penalty would be .25% of the annual fee. Is this the correct interpretation of the measure?
- A13. Yes
- Q14. Attachment 12 FLEXTRA Performance Measure, Measure 11 – FHC Cards -This number is significantly less than the Annual FHC cards sent out but has the same penalty as measure 12. Please clarify.
- A14. The City understands the number is significantly less; the measure still holds.
- Q15. Attachment 12 FLEXTRA Performance Measure, Measure 12 – Annual FHC Cards - Given the postal system, is the Penalty based on 100% sent out by the deadline or 100% received?
- A15. The intent of this measure is they are mailed out by the Contractor; however, the City understands the Contractor has no control over the postal system.

III. ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

ACKNOWLEDGED BY:

Nisha Gandhi

Name

Nisha Gandhi

Authorized Signature

4/1/2019

Date

RETURN ONE COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, WITH YOUR RESPONSE OR PRIOR TO THE SOLICITATION CLOSING DATE. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION.

**ATTACHMENT 9b Performance Measures – Open Enrollment Administration - Version 1.1 – Revised
032719**

**CITY OF AUSTIN
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

Place this document in Tab 7 of your Proposal response.

All performance measures and guarantees should be City-specific, not book of business.

	Performance Measure	Acceptable Performance	Damage	Agree Yes/No	If No, Proposed Alternative
1.	City's satisfaction with implementation	100%	.25% of annual base fee		
2.	Employee Benefits staff satisfaction	At least 90%	.25% of annual base fee		
3.	Customer Service	Must be operational January 1 st	.25% of annual base fee		
4.	Eligibility system updated within two business days of any enrollment information received	99%	1% of annual base fee		
5.	Open Enrollment Phone Number	Must be operational prior to deadline determined by the City	.25% of annual base fee		
6.	Benefits Coverage Information Statements	98% overall accuracy on sorting, printing, and delivery as determined by the City	.25% for each occurrence, up to a maximum of 1% annual base fee for each plan year		
7.	Confirmation of Coverage Statements	98% overall accuracy on sorting, printing, and delivery as determined by the City	.25% for each occurrence, up to a maximum of .5% annual base fee for each plan year		
8.	Web-based enrollment system	Must be operational prior to the begin date of Open Enrollment	1% of annual base fee		
9.	Open Enrollment 834 eligibility file	Must be accurate and sent to City's benefit vendors by deadline	10% annual base fee		

**ATTACHMENT 9b Performance Measures – Open Enrollment Administration - Version 1.1 – Revised
032719**

**CITY OF AUSTIN
REQUEST FOR PROPOSAL NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

	Performance Measure	Acceptable Performance	Damage	Agree Yes/No	If No, Proposed Alternative
		determined by City			
10.	Open Enrollment Files for Employees and Retirees	Must be accurate and sent to City's Payroll department, Benefits department, and retirement systems by deadline as determined by the City	10% annual base fee		
11.	Open Enrollment reports	Must be produced accurately and by deadline as determined by the City	.25% annual base fee per report up to a maximum of .5% annual base fee for each plan year		

**CITY OF AUSTIN -
REQUEST FOR PROPOSAL NUMBER NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

Place this document in Tab 8 of your Proposal response.

All performance measures and guarantees should be City-specific, not book of business.

	Performance Measure	Acceptable Performance	Damage	Agree Yes/No	If No, Proposed Alternative
1.	Employee Benefits staff satisfaction	At least 90%	.25% annual base fee		
2.	Notification letters	100% of letters must be mailed within Federal required timeline	.25% annual base fee per letter up to a maximum of .5% annual base fee for each plan year		
3.	Benefits coverage termination due to nonpayment	95% of terminations will be processed within Federal required timeline	.25% annual base fee per letter up to a maximum of .5% annual base fee for each plan year		
4.	Monthly, quarterly and year-end reports	Must be provided within 30 days of the end of each period	.25% annual base fee per report up to a maximum of .5% annual base fee for each plan year		

**ATTACHMENT 10b Performance Measures – Continuation of Coverage for Domestic Partners
Administration (CCDP) - Version 1.1 – Revised 032719**

**CITY OF AUSTIN
REQUEST FOR PROPOSAL NUMBER NO. RFP 5800 LNH3008
BENEFIT PLAN ADMINISTRATION SERVICES**

Place this document in Tab 9 of your Proposal response.

All performance measures and guarantees should be City-specific, not book of business.

	Performance Measure	Acceptable Performance	Damage	Agree Yes/No	If No, Proposed Alternative
1.	Employee Benefits staff satisfaction	At least 90%	.25% annual base fee		
2.	Notification letters	100% of letters must be mailed within 14 days.	.25% annual base fee per letter up to a maximum of .5% annual base fee for each plan year		
3.	Benefits coverage termination due to nonpayment	95% of terminations will be processed within the 30 th day.	.25% annual base fee per letter up to a maximum of .5% annual base fee for each plan year		
4.	Monthly, quarterly and year-end reports	Must be provided within 30 days of the end of each period	.25% annual base fee per report up to a maximum of .5% annual base fee for each plan year		

Exhibit 28
City of Austin Client Satisfaction Survey Sample Form
(Contractor's Name)

Quarter

Name of your Department/Division Human Resources/Employee Benefits	Policy Number	Number of COA Employees	Name of your (Contractor) Rep
Your Name (Benefits Staff Name)		Title	
Phone	E-mail Address		Date

1. Indicate your level of satisfaction with the following:

	Satisfied	Not Satisfied
<u>Customer Service/Eligibility</u>		
Dedicated Service Unit	<input type="checkbox"/>	<input type="checkbox"/>
Client Service	<input type="checkbox"/>	<input type="checkbox"/>
Compliance with City's eligibility rules	<input type="checkbox"/>	<input type="checkbox"/>
<u>Employee</u>		
Eligibility/Enrollment Administration	<input type="checkbox"/>	<input type="checkbox"/>
Dental Claims Administration		
Timeliness of Claim Payments	<input type="checkbox"/>	<input type="checkbox"/>
Claims Accuracy	<input type="checkbox"/>	<input type="checkbox"/>
FLEXTRA Reimbursement Administration		
Healthcare and Dependent Care		
Timeliness of Reimbursement	<input type="checkbox"/>	<input type="checkbox"/>
Reimbursement Accuracy	<input type="checkbox"/>	<input type="checkbox"/>
Childcare Assistance Reimbursement	<input type="checkbox"/>	<input type="checkbox"/>
Health Savings Account Tracking	<input type="checkbox"/>	<input type="checkbox"/>
<u>Retiree/Surviving Dependent</u>		
Eligibility/Enrollment Administration	<input type="checkbox"/>	<input type="checkbox"/>
Self-Pay <u>Administration</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>COBRA and COC Administration</u>		
Notices/Letters	<input type="checkbox"/>	<input type="checkbox"/>
Premium Collection/Payment to Vendors	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

2. How would you rate (Contractor's) overall service to you and your employees?

☐ Very Good
 ☐ Good
 ☐ Average
 ☐ Poor
 ☐ Unacceptable

3. How can (Contractor) better serve you?



**ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS**

Solicitation: RFP 5800 LNH3008

Addendum No: 7

Date of Addendum: 4/1/19

This addendum is to incorporate the following changes to the above referenced solicitation:

I. Clarifications:

- C1. Overall Statement from The City – The Performance Measures contained in the RFP 5800 LNH3008 - Benefit Plan Administration Services are designed to hold Contractors accountable. The City and Contractors will work together to ensure Contractors are successful.

II. ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

ACKNOWLEDGED BY:

Nisha Gandhi

Name

Nisha Gandhi

Authorized Signature

4/1/2019

Date

RETURN ONE COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, WITH YOUR RESPONSE OR PRIOR TO THE SOLICITATION CLOSING DATE. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION.

GOAL DETERMINATION REQUEST FORM

Buyer Name/Phone	Lynnette Hicks, 512-974-3349	PM Name/Phone	Anitra Jones, x43348
Sponsor/User Dept.	Human Resources	Sponsor Name/Phone	Anitra Jones, x43348
Solicitation No	RFP 5800 LNH3008	Project Name	Benefit Plan Administration Services
Contract Amount	\$7,000,000	Ad Date (if applicable)	2/11/19
Procurement Type			
<input type="checkbox"/> AD – CSP <input type="checkbox"/> AD – Design Build Op Maint <input type="checkbox"/> IFB – IDIQ <input checked="" type="checkbox"/> Nonprofessional Services <input type="checkbox"/> Critical Business Need <input type="checkbox"/> Sole Source* <input type="checkbox"/> AD – CM@R <input type="checkbox"/> AD – JOC <input type="checkbox"/> PS – Project Specific <input type="checkbox"/> Commodities/Goods <input type="checkbox"/> Interlocal Agreement <input type="checkbox"/> AD – Design Build <input type="checkbox"/> IFB – Construction <input type="checkbox"/> PS – Rotation List <input type="checkbox"/> Cooperative Agreement <input type="checkbox"/> Ratification			
Provide Project Description**			
Professional services to provide employee benefit plan administration services.			
Project History: Was a solicitation previously issued; if so were goals established? Were subcontractors/subconsultants utilized? Include prior Solicitation No.			
Previous solicitation RFP JSD0124 issued on 4/23/2012. No goals were established.			
List the scopes of work (commodity codes) for this project. (Attach commodity breakdown by percentage; eCAPRIS printout acceptable)			
96102 - 50%, 95348DI - 30%, 95348 - 10%, 95300 - 10%			
Lynnette Hicks		1/14/2019	
Buyer Confirmation		Date	

* Sole Source must include Certificate of Exemption

**Project Description not required for Sole Source

FOR SMBR USE ONLY			
Date Received	1/14/2019	Date Assigned to BDC	1/14/2019
In accordance with Chapter 2-9(A-D)-19 of the Austin City Code, SMBR makes the following determination:			
<input type="checkbox"/> Goals	% MBE	% WBE	
<input type="checkbox"/> Subgoals	% African American	% Hispanic	
	% Asian/Native American	% WBE	
<input type="checkbox"/> Exempt from MBE/WBE Procurement Program		<input checked="" type="checkbox"/> No Goals	

GOAL DETERMINATION REQUEST FORM

This determination is based upon the following:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Insufficient availability of M/WBEs | <input type="checkbox"/> No availability of M/WBEs |
| <input type="checkbox"/> Insufficient subcontracting opportunities | <input type="checkbox"/> No subcontracting opportunities |
| <input type="checkbox"/> Sufficient availability of M/WBEs | <input type="checkbox"/> Sufficient subcontracting opportunities |
| <input type="checkbox"/> Sole Source | <input type="checkbox"/> Other |

If Other was selected, provide reasoning:

MBE/WBE/DBE Availability

There are 19 M/WBE firms available but not directly

Subcontracting Opportunities Identified *related to ~~medical~~ industry insurance*

Rachelle Delouis

SMBR Staff

Signature/ Date



1/15/19

SMBR Director or Designee



Date

1/16/19

Returned to/ Date:



City of Austin

Purchasing Office

P.O. Box 1088, Austin, TX 78767

July 10, 2019

Subject: Recommendation for Award of RFP 5800 LNH3008 Benefit Plan Administration Services

Thank you for your response to the RFP 5800 LNH3008 Benefit Plan Administration Services. The evaluation team has completed their process and has recommended award to CompuSys/Erisa Group Inc. and Total Administrative Services Corporation dba TASC.

Recommended Award for CompuSys/Erisa Group Inc.:

Category 4.0 Eligibility and Self-Pay Administration

Category 5.0 Open Enrollment Administration

Category 6.0 Consolidated Omnibus Budget Reconciliation Act (COBRA) Administration

Category 7.0 Continuation of Coverage for Domestic Partners Administration

Category 10.0 Child Care Assistance Program Administration

Recommended Award for Total Administrative Services Corporation dba TASC:

Category 9.0 Flexible Spending Account Administration

The City has removed Category 8.0 Self-Funded Dental Claims Administration. The City anticipates a new solicitation for this service in the future.

We appreciate your continued interest in doing business with the City of Austin. A copy of the evaluation matrix is attached.

Procurement Specialist IV

512-974-3349

Lynnette.Hicks@austintexas.gov

City of Austin

Purchasing Office